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NEWS SUMMARY

'Fourth man' spy is named

Sir Anthony Blunt, former Surveyor of the Queen's Pictures, was yesterday named by the Prime Minister as the "fourth man" in the Burgess-Maclean-Philby spy case. He is to be stripped of his knighthood.

Mrs. Thatcher told the Commons that Blunt had confessed to being a Russian spy after being granted immunity from prosecution in April 1964.

He had been a recruiting agent for Soviet intelligence as a don at Cambridge in the 1930s, and as a member of the British Security Service during the Second World War had regularly passed secrets to the Russians.

Blunt first came under suspicion in 1951 after he had used his old contact with Russian intelligence to help in the defection of Burgess and Maclean.

But no evidence was uncovered against him during the following 13 years, in spite of intensive inquiries.

Blunt, a distinguished art historian honoured by universities and several overseas governments, is being stripped of his knighthood today. It was awarded by the Queen in 1956.

Now aged 72, he left his London flat earlier this week and is believed to be abroad.

Mrs. Thatcher's statement provoked a storm of protest from Labour MPs over the "privileged protection" given to Blunt and the "double standards" operated under the Official Secrets Act. There were demands for legal action against him, but Mrs. Thatcher said that Blunt's confession given under the grant of immunity, was still the only firm evidence against him.

She said that Blunt had provided the Security Service with useful information about Russian intelligence activities and about his association with Burgess, Maclean and Philby. He had been allowed to remain in his post to the Royal household so as not to put at risk his co-operation with the Security Service. Parliament, Page 13

GENERAL

Rail fares to rise by 20%

Rail fares are to go up by about 20 per cent from January 6. But the increases will be steeper in London and the South East and on some inter-city services, where the rises will be as high as 30 per cent in some cases.

British Rail said the increases were necessary to meet rising fuel prices and to help counter the cuts in Government subsidies. Back Page

Statehood plea

Mayors from the occupied West Bank and the Gaza Strip called for the creation of an independent Palestinian state, while the Israeli Government announced proposals for a big increase in Jewish settlements in th eoccupied territories. Page 3

Italian unrest

An outbreak of widespread labour unrest in Italy, coupled with growing criticism from the main political parties and the national employers association, are further undermining the fragile minority government of Sig. Francesco Cossiga. Page 2

Boy missing

London police said they feared for the safety of 15-year-old Martin Allen, who has not been seen since he parted from a schoolfriend at King's Cross Underground station on Guy Fawkes night.

London quads

American mother Jean Wolf gave birth to quads in St. Mary's Hospital, Paddington, London. The three boys and a girl were said to be doing well after the birth by Caesarian operation.

Briefly . . .

South African black man was sentenced to death for treason and 11 others jailed for between 13 and 18 years, also for treason.

Crown Prince Fahd of Saudi Arabia is to visit London early next month to attend a seminar organised by the Islamic Council of Europe.

Gunmen, believed to be Basque separatists, shot and seriously wounded a senior Spanish army officer in San Sebastian. Page 2

London record producer Maurice Stovell was jailed for three years in Penang, Malaysia, for possessing heroin.

BUSINESS

Slide in gilts and equities; £ strong

● GILTS trading was halted after the 3 per cent rise in MLR and resumed later with longs 4½ points down on balance. Medium-dated Treasury 11½ per cent 1939 fell 1¼ points and after a second break in trading, the tone again weakened. The FT Government Securities Index fell 1.57 to 63.31—its lowest since January, 1977.

● EQUITIES were ...overshadowed by gilts, and early strength was lost later. The FT 30-share index closed 3.7 lower at 406.3.

● STERLING rose sharply after the jump in MLR putting on 3 cents at \$2.1435 (\$2.1135). Its trade-weighted index rose to 68.9 (67.7). The dollar's also rose to 87.2 (87.0).

● GOLD fell \$6¼ an ounce to \$384 in London.

● WALL STREET was up 4.53 at 821.08 just before the close.

● NORTH SEA OIL output could satisfy UK needs until at least the turn of the century, according to Shell's latest study.

● CHRYSLER has cut U.S. sales forecasts for 1980, and if the trend continues, the company's recovery plan may fail. FORD in the U.S. faces a \$1bn loss this year. Back Page

● CANADIAN farm machinery group Massey-Ferguson has set up a UK company to find work for the 1,500 men to be displaced by plant closure at Kilmarnock in February. Page 9

● BRAMBLES INDUSTRIES, the Australian transport group, is to make an agreed bid of A\$142m (£73.19m) for Acmil, the building products group, in what should be Australia's biggest takeover. Page 32.

● SKF, the Swedish bearings manufacturer, registered third-quarter pre-tax profits of SKr. 77m (£8.55m) against SKr. 15m in 1978. Page 31.

● BOOTS COMPANY pharmaceutical and retail chemists, had static pre-tax profits for the six months to September 30 at £50.5m (£51m) despite higher sales. Page 26 and Lex Back Page.

● ROYAL DUTCH/SHELL Group net income for the first nine months of 1979 rose to £2.05bn (£687m). Page 24 and Lex Back Page

Breakthrough at Rhodesia talks

BY BRIDGET BLOOM, AFRICA EDITOR

THE LANCASTER HOUSE conference achieved a major breakthrough yesterday when the Patriotic Front accepted Britain's proposals for putting Rhodesia under direct British rule leading to elections and full independence.

Bishop Muzorewa's government has already accepted these proposals. Today, the 10-week conference moves on to discuss a ceasefire in the seven-year guerrilla war. This is the crucial third stage of an overall settlement to the 14-year Rhodesian problem.

If this is successful a British Governor could be in Rhodesia by early December with full election and military staff.

Yesterday's agreement between the guerrilla alliance and Britain was greeted with "delight" by Lord Carrington, the Foreign Secretary, and described as "historic" by the Patriotic Front.

However, all three parties to the conference warned that complex and demanding negotiations lay ahead before a ceasefire to a war which has claimed 20,000 lives and involved five armies could be secured.

The conference had been in deadlock for the past two-and-a-half weeks because of Patriotic Front objections which were eventually reduced to two key issues.

These were the length of the proposed period of British rule and the status the British plan accorded to the guerrilla army.

The breakthrough followed four days of intensive negotiations lasting well into yesterday morning between the Patriotic Front and Britain. It came with an announcement that one sentence would be added to one paragraph of the 41-point British plan.

That sentence appears to grant the guerrilla forces equal status with the Rhodesian Army under the British Governor, not only in the operation of the ceasefire but also during the transition period.

Editorial comment, Page 22
Approaching a settlement, Page 4

New £1bn gilts stock today ● Corset controls extended

Lending rate raised to record 17%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT intensified the credit squeeze yesterday in an attempt to regain the initiative in financial markets and bring growth of the money supply back down within the official target range.

The key measure was a three point rise in minimum lending rate to a record level of 17 per cent. This was larger than the City expected, and went beyond the rise in money market interest rates over the past fortnight.

The reason is that the Government decided that the increase must be sufficient both to leave no doubt about the firmness of its intentions, and to enable it clearly to secure the initiative in the markets.

In the Commons both the Prime Minister and Sir Geoffrey Howe, the Chancellor, stressed that the action was needed to reduce inflation.

Sir Geoffrey said this could be done "if we bring the money supply under firm control, progressively reduce the rate of monetary growth over the years, and pursue the most rigorous restraint on public spending."

The proposals are intended to bring the path for both public-sector borrowing and growth of money supply down to the limits for the current financial year set in the mid-June Budget. Sir Geoffrey said that at present both were higher than expected or desired.

The Government is likely to leave MLR at its present level until there is tangible evidence that the rate of monetary growth is coming down within the desired range. At the earliest this is unlikely to be until the December money supply figures are available, in January.

The immediate objective, as in similar financial crises over the past few years, is to sell gilt-edged stock again on a large scale to finance the Government's large borrowing needs.

The market was confused yesterday, and prices of long-dated stocks fell by nearly £5. After the prices of both existing tap stocks were cut sharply, both were exhausted, producing total net sales of £300m and £400m.

The Government should achieve even more funding this morning, since well after trading hours the Bank of England announced a new £1bn long-dated stock. This will not be offered for public subscription, but is being sold directly through the market this morning.

The stock, 13¾ per cent Treasury 2000-03, was issued last night at £91, with only £20 paid immediately and the balance due on December 5.

The gross redemption yield is 15.15 per cent. The actual price and yield will depend on the Government Broker's tactics this morning, and it is believed that the major gilt stockbrokers will be in their offices at first light to be ready.

The issue has been made now partly to satisfy the strong apparent demand for stock and stop the market racing away, and partly to produce gilts sales before the end of the November banking months next Wednesday.

The other main aim is to curb the recent buoyant growth of bank lending. Although Sir Geoffrey expected its growth to fall in due course, he said it was necessary to take action now.

The need for such action was confirmed by the October money supply figures, which as expected showed a rise of 2 per cent in sterling M3, to produce an underlying rate of expansion well above the official range.

The worrying feature was a record £1.24bn jump on bank lending to the private sector, with an additional £170m rise in bank acceptances or commercial bills held outside the banking system. These two categories of

Continued on Back Page

● Minimum Lending Rate increased by three points to record 17 per cent compared with previous peak of 15 per cent.

● New £1bn gilt-edged stock, 13¾ per cent Treasury 2000-03, issue through market from this morning.

● Collection of petroleum revenue tax to be advanced two months, reducing public sector borrowing by £700m in 1979-80 and bringing total back to original Budget ceiling of £8.3bn.

● Corset controls on growth on banks' operations to be extended six months until next June but on same terms.

● Period covered by 7 to 11 per cent target range for annual growth of sterling M3 to be extended from 10 months until next April to 16 months until next October.

● Sterling M3 rose by 2 per cent in the month to mid-[illegible] with a £1.57bn rise [illegible] domestic credit.

● Maximum permitted holding of retirement issue index-linked National Savings Certificates raised from £700 to £1,200 from next month.

● Interest rate payable on investment accounts with National Savings Bank increased by 2½ points to 15 per cent from January 1.

● New ordinary National Savings Certificate to be issued in February.

Money supply Page 8 ● Parliament Page 13 ● Analysis Pages 13 and 22 ● Editorial comment Page 22 Lex Back Page

Size of increase surprises banks

BY MICHAEL LAFFERTY AND ANDREW TAYLOR

THE EXTENT of the rise in minimum lending rate took the clearing banks, building societies and other lending institutions by surprise.

Last night banks and finance houses were uncertain of the next move in their deposit and lending rates, while building society managers did not know how long they could avoid a further rise in the mortgage rate.

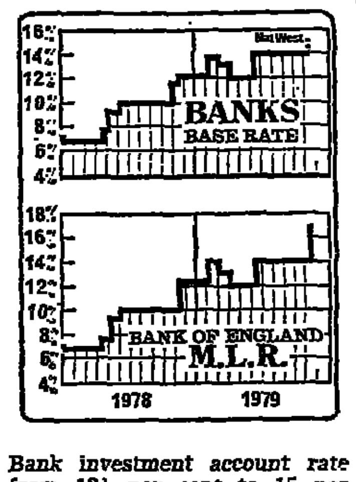
Opinions with the big clearers appear to differ slightly about the timing and size of the next move. Initial reaction from two of the "big four" was that base lending rates would have to rise by 3 per cent this morning. Another was more cautious, pointing out that money market rates had not so far indicated a 17 per cent base rate. Most base rates stand at present at 14 per cent.

National Westminster Bank, which jumped the gun on Tuesday by raising its base rate 1½ per cent to 15½ per cent, said that base rates did not necessarily have to rise in line with increases ni MLR. Between September, 1976, and January, 1977, for example, bank base rates were between 1 and 1½ per cent lower than MLR.

A sharp rise in deposit rates by the banks and others would undermine the building societies' position in the savings market.

Since August societies have been paying investors 8¾ per cent on an ordinary share account—equivalent to 12½ per cent to the basic rate taxpayer. This compares with the 11½ per cent gross paid by Lloyds and Midland, 12 per cent at Barclays and 13½ per cent at National Westminster.

The Trustee Savings Banks pay depositors between 7 and 12½ per cent gross while customers at Giro can get 12½ per cent. But all these rates can now be expected to increase shortly. The Chancellor yesterday raised the National Savings



Bank investment account rate from 12½ per cent to 15 per cent.

At the same time the three-month local authority deposit rate—a major competitor for funds with the building societies—rose from 15¾ per cent to 16½ per cent gross.

The societies' dilemma is whether to push up mortgage rates above the record 12½ per cent due to be introduced from January 1. The movement has made it clear that it would be virtually impossible to sustain any further increase in deposit rates without a further increase in mortgage costs.

Mr. Leslie Whiteley, assistant general manager (mortgages), at Provincial Building Society said that societies would need an investment rate of 10½ per cent net (15 per cent gross) to maintain a competitive edge. This could mean a mortgage rate of 15 per cent.

Societies' net receipts, boosted by tax rebates and the increased deposit rate have significantly

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£ in New York

—	Nov. 14	Previous
Spot	\$2.1160-1175	\$2.1070-1080
1 month	0.44-0.34 dis	0.24-0.21 dis
3months	0.58-0.48 dis	0.25-0.20 dis
12 months	2.60-2.45 dis	2.48-2.38 dis

Iran stops oil supply to U.S. companies

By Our Foreign Staff

IRAN YESTERDAY notified several U.S. oil companies that it would immediately stop supplying them with oil. The move marked a further worsening in the confrontation between Khomeini's regime and the U.S. over the hostages now held in the U.S. embassy in Tehran for 12 days.

The notification came as a terse telex from the National Iranian Oil Company: "Due to current events we are not in a position to deliver oil to you."

The messages were sent to several, but not all the U.S. companies which buy oil from Iran. It was not immediately clear whether Iranians were acting selectively, or whether some messages simply arrived quicker than others.

In Washington, there was no immediate political reaction. But in line with Wednesday's freezing of Iran's assets in the U.S., two major banks, Chase Manhattan and Citibank, yesterday decided to protect their interests by combining the deposit and loan accounts of the Iran Government to pay off loans.

Oil companies that received notification included Exxon, the largest U.S. oil company, Ashland Oil and Charter Oil. But large purchasers of Iranian Oil such as Mobil and Gulf had not received any message by yesterday afternoon.

If the cut-off applies to all U.S. companies, it could be more severe than President Carter's decision earlier this week to ban imports of Iranian oil. That ban was largely academic, since U.S. oil companies could still buy Iranian oil, and then shuffle it around the world market before bringing it to the U.S. Now, their access may be blocked completely. They may have to make up the shortfall from other suppliers, or buy Iranian oil through intermediaries, which will add to the uncertainty and cost of supplies.

U.S. oil companies were recently buying about 700,000 barrels of Iranian oil a day, but their dependence varied from Exxon's 1.5 per cent of total supplies to Charter's 20 per cent. Oil industry observers said these companies would have little choice but to replace these supplies by purchasing in the spot market, which would push prices up still further.

The U.S. has been preparing itself for disruptions to oil supplies during the crisis with Iran, and the Government dearly hopes that Mr. Carter's appeal earlier this week for

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Severe but necessary, says CBI

FINANCIAL TIMES REPORTER

THE RISE in minimum lending rate was described as severe but necessary by the Confederation of British Industry.

Sir John Methven, director-general, said the increase would be "a severe burden on British industry, particularly on smaller companies, but is a necessary part of the Government's determination to get the money supply under control.

"It underlines the great importance of achieving less inflationary pay settlements if big increases in unemployment are to be avoided. We look for interest rates to be reduced as soon as possible consistent with the Government's monetary policy."

Mr. David Lea, assistant general secretary of the TUC, said that everyone could now see, as a result of the increase, what monetarism meant in practice. "It is a sterile philosophy. All it guarantees for the future is a further decline in output, a further decline in employment and a further decline in investment, the consequences of which will be felt for years to come."

Mr. Lea said it was time industrialists joined the trade union movement in demanding a fundamental change of policy.

The Institute of Directors expressed concern that by raising MLR to such a "frightening" level, the Government might have adopted the wrong tactic in its strategy to control inflation.

Mr. Walter Goldsmith, director-general, said that, though while the institute agreed that reducing the money supply was a sound method of reducing inflation, it could not understand how raising MLR to 17 per cent was going to control the money supply.

The council of National Farmers Union passed an emergency resolution expressing shock at the rise. Mr. Richard Butler, president said that the increase, if fully reflected in bank base rates, would add £75m in a full year to interest on farmers' borrowings.

The Retail Consortium was relieved that the Chancellor had confined his action to increasing interest rates and encouraging savings, but said that high interest rates would dampen consumer demand while making the most of financing stock more expensive.

Oil companies were reluctant to comment on the Chancellor's announcement about advancing petroleum revenue tax payments until they had studied it in detail but the first response last night was one of concern mingled with a degree of philisophical resignation.

One executive said he felt Sir Geoffrey's move would create additional headaches for companies in filing for relief from PRT.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Nichols (J. N.) (Vimto)	268	+ 6
Royal Insurance	292	+ 4
Stocklake	113	+ 9
Turner & Newall	113	+ 3
Shell Transport	326	+ 6
Ultramar	358	+ 8
Charter Cons.	154	+ 7
Cons. Gold Fields	326	+ 8
Falcon	415	+ 15
Gold Fields of South Africa	£23¼	+ ⅞
Messina	106	+ 8
Rhodesia Corp.	36	+ 3
Wankie Colliery	64	+ 4
ZCI	15¼	+ 2¼

FALLS

Exchequer 3% 1984	£69	— 2¼
Treas. 12¼% 2003-05	£84	— 4⅛
Allnatt, London	130	— 10
Beales (J.)	27	— 8
Boots	148	— 4
Braithwaite	67	— 6
British Car Auction	47	— 4
Brunning	39	— 3
Chapman (Balham)	83	— 14
Combined English Stores	33	— 3
Decca	295	— 10
Dowty	257	— 7
Glaxo	388	— 7
GUS A	326	— 8
House of Fraser	111	— 7
Illingworth Morris A	13	— 3
MEPC	132	— 6
Newman Inds.	48	— 5
Norton & Wright	85	— 8
Oliver (G.) A	88	— 10
Pressac	95	— 8
Stock Conversion	320	— 10
Anglo Amer. Corp.	385	— 20
Cons. Gold Fields Australia	320	— 10
East Rand Prop.	502	— 20

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For latest Share Index phone 01-246 8026

PRESSURE GROWS FROM UNIONS AND INDUSTRY

Attack renewed on Cossiga policies

BY PAUL BETTS IN ROME

AN OUTBREAK of widespread labour unrest coupled with growing criticism from the main Italian political parties and the national employers association, Confindustria, are further undermining the fragile minority government of Sig. Francesco Cossiga.

At the centre of the latest attack are the Government's economic policies which are widely regarded as inadequate to tackle the country's mounting problems.

Inflation is running at an annual rate of more than 18 per cent, export competitivity is declining, and there are danger signals on the energy front.

Dr. Guido Carli, the chairman of Confindustria, and a former central bank governor, claimed yesterday the Government's economic policies had been largely expansionist and inflationary. This was in contrast with attempts by the monetary authorities to protect the lira by trying to curb money supply.

In the absence of longer term measures like an incomes policy and containing the ever expanding public sector deficit, he pressed for restrictive economic policies. *If these were not* adopted now, they would inevitably have to be introduced in six months, at far greater economic and social costs.

The Government is also under pressure from the unions which are calling for tax concessions and higher wages to compensate for increases in public utility tariffs and accelerating inflation.

Caught in the cross fire between adopting restrictive policies and inflationary union demands, the Government has so far delayed introducing unpopular measures which could undermine it further. But the unions have now called a four-hour general strike next Wednesday because of repeated delays by the Government in holding talks with them.

For their part, union leaders are also being pressed by their rank-and-file because of plans by a number of state and private industrial groups to make large-scale redundancies.

Strikes in various public sector—from banks to transport services—are further fuelling the situation. The most serious of these involves air traffic controllers. Their action has caused severe disruption during the past 24 hours in all Italian airports, with substantial flight cancellations and long flight delays.

Earlier this month, President Sandro Pertini intervened in a similar dispute to prevent a total paralysis of air traffic in Italy. The President's intervention was generally seen as an eloquent example of the Government's weakness.

Sig. Cossiga and economic ministers yesterday held talks with leaders of the Christian Democrat party, which has renewed its support for the Government.

The administration's attempts to contain the enlarged public sector deficit look in danger, as legislation to control the public sector borrowing requirement risks being thrown out of Parliament.

The survival of the Government is in large measure the result of the absence of any immediate alternative and the reluctance of any party to precipitate another government crisis. In this sense, the fate of the Cossiga administration is generally expected to depend on the outcome of the Christian Democrat national congress at the end of January and regional elections in the spring.

Finnish upswing continues

By Lance Keyworth in Helsinki

THE YEAR-LONG upswing in the Finnish economy will continue strongly for the next few months, although the growth rate *has probably* already reached its peak, according to a 1979 third quarter survey conclusion drawn by the Ministry of Finance economic division.

The year-on-year growth in the gross domestic product in 1979 may be 8 per cent and there is now concern about overheating of the economy.

Exports increased by 24 per cent in value and 12 per cent in volume in the first three quarters of 1979 compared with January-September 1978. But the corresponding changes for imports were one-third and one-fifth.

The balance of payments was down to a mere FM 100m in September and is expected to show a deficit by the end of the year, against a surplus of FM 2.9bn (£360m) in 1978.

Pressure on prices is increasing, largely because of higher import prices. The consumer price index rose by 7.2 per cent between December 1978 and October this year.

PLO denial over Italy missiles

ROME — The Palestine Liberation Organisation (PLO) said yesterday it knew nothing about two Soviet missile launchers found by police in the car of three Left-wing militants arrested near Bologna, in central Italy, last week.

A spokesman for the PLO's Rome office was replying to Italian newspaper reports which have linked Palestinian guerrillas with the discovery. "We have *nothing* to do with the case," he said. "We have no links with, and do not know, the two Jordanians whom the authorities have implicated in the affair."

Salem Abu Anzek, a 30-year-old Jordanian who runs an import-export business in Bologna, was detained yesterday and police are looking for his student brother.

The police are thought to have linked the two Jordanians with a small Lebanese freighter which is believed to have unloaded the weapons at the eastern port of Ortona last week.

Despite lengthy interrogation, the three men arrested last week insist that they found the launchers, which fire ground-to-air missiles, by chance. Police still have no idea what target they were intended to be used against.

Italian newspapers recalled that in September 1973 secret service agents caught five Arabs at Ostia, near Rome's Fiumicino Airport, a few hours before *they planned* to shoot down an Israeli airliner.

Reuter

Good start to Dutch wage talks

BY CHARLES BATCHELOR IN AMSTERDAM

PROSPECTS FOR agreement between the Dutch unions and employers on a 1980 wage accord improved during the first round of talks held in The Hague yesterday. The Government offered to reduce taxes further for the lower paid provided the unions reduce their wage demands.

The two sides of industry have agreed to hold further talks—without the Government being present—to see whether they can reconcile their points of view.

In the past two years, the wage talks have broken down after the first meeting, leaving unions and employers to negotiate on an industry and company basis.

Yesterday's three-hour meeting ended on a positive note though it is much too early to say that the wage talks will be successful, a Social Affairs Ministry spokesman said.

The offer by the Government to reduce taxes is intended to meet union claims that increases in gas and other tariffs next year will reduce the disposable income of people earning up to Fl 32,500 (£7,700).

The Government originally claimed that a real wage rise of 0.5 per cent would be enough to maintain wage levels but the two main trade union federations have put in demands for 2 per cent and 1 per cent respectively.

The tax measure has yet to be worked out in detail but preliminary estimates put the cost to the Government at Fl 300m-Fl 600m (£71m-£142m). This will have to be met by cuts in Government spending since the Finance Ministry is opposed to any rise in the public borrowing requirement.

Heavy toll as tanker collides in Bosphorus

By Metin Munir in Ankara

A ROMANIAN tanker carrying nearly 95,000 tonnes of oil exploded and caught fire after a collision with a Greek cargo vessel in the Bosphorus at Istanbul early yesterday morning. Officials said that favourable winds were keeping the blazing oil slick away from the city shores.

Fifty-one of the tanker crew are believed to have lost their lives. Only three escaped. The chief engineer, a steward and a sailor swam ashore and were taken to hospital.

The 150,000 ton Independente, carrying oil from Libya to Romania, was anchored near a breakwater off Istanbul's main Asian rail terminal when it was in collision with the 5,200 ton Evriali.

Explosions shattered windows for miles around the Asian and European sides of Istanbul.

The fire which erupted on the tanker spread to the Evriali, which was towed away by a Turkish salvage vessel. All 30 seamen aboard the Greek ship were reported to be safe.

Police sealed all roads leading to the Kadikov district on the Asian side of Istanbul nearest to the tanker and turned back a crowd of onlookers

Istanbul's Governor, Mr. Orhan Erbug, said firefighters struggling to contain the tanker's burning cargo as it spread toward the European side of the city had been helped by light winds. Officials said the fire aboard the tanker had been brought under control by port and Turkish navy firemen.

The collision occurred at the entrance to the Sea of Marmara from the narrow Bosphorus strait which separates the European and Asian sides of Istanbul. Turkey's martial law authorities closed the seaway, which connects the Mediterranean with the Black Sea.

In London, Lloyds said the tanker was almost certainly a total loss.

● West Germany is to help Turkey introduce value added tax by advising on rationalisation and mechanisation measures in the Turkish tax administration and training fiscal officers and businessmen.

Colonel shot amid signs of a return to Basque violence

BY ROBERT GRAHAM IN MADRID

AN ARMY colonel was seriously wounded yesterday in San Sebastian when two youths fired on his car at close range—*the first terrorist* attack on an army officer since mid-September.

The attack bore the hallmarks of the militant Basque separatist organisation, ETA. However, witnesses described the attackers as being only youths of between 16 and 18.

The attack occurred when Colonel Tomas Lopez de Diego was leaving his house in San Sebastian's old quarter. He was hit by five bullets, including two in the throat.

Since the October 25 referendum on the Basque autonomy statute, four people have been killed by ETA—two deaths have been claimed by so-called "autonomous" commando groups and two by the military wing of ETA.

The level of violence in the Basque country has now reverted to that of earlier in the year. Hard-line elements in the military wing of ETA appear determined to continue their campaign of violence aimed at securing a Marxist, independent, Basque State.

At the same time, the autonomous commando units, believed to fit only loosely now under the ETA umbrella, seem equally *determined* to stir things up.

Separate from these two campaigns is that of the political-military wing of ETA, which supported the Basque autonomy statute, but is determined to dictate the pace and form in which authority is now devolved to the Basque country.

To exert pressure on Madrid, this group kidnapped a prominent Parliamentarian, Sr. Javier Ruperez, spokesman on international affairs for the ruling Union de Centro Democratico on Sunday.

Sr. Ruperez's kidnappers are demanding the release from jail of five alleged ETA members plus the establishment of a Government commission to study claims of security force torture on Basques.

The Government refuses to negotiate with the kidnappers although there were hints yesterday that the Basque general council, which represents the main Basque political parties, is studying the creation of a special commission to investigate allegations of torture.

Airport problems blunt Madeira's tourist potential

BY JIMMY BURNS, RECENTLY IN FUNCHAL, MADEIRA

THE POOR condition of Madeira's Santa Cruz airport is seriously jeopardising the tourist potential of Portugal's Atlantic holiday island, according to local officials.

Latest figures show that Madeira is heading for a good year regarding tourism. The island, already one of Portugal's main sources of foreign exchange, was visited by 13 per cent more visitors in the first half of this year then in the same period last year.

Tourist officials have now drawn up an ambitious investment plan aimed at tripling the island's available tourist accommodation to 35,000 beds.

However, the plan is being shelved until the Portuguese Government, in co-operation with the regional authorities, agree on a firm policy regarding the airport.

Three years ago the airport was the scene of Portugal's first ever major airline disaster. A Boeing 727 belonging to TAP, Portugal's national airlines, landed on the 1,600-metre airstrip in pouring rain and ploughed into a local viaduct, killing 130 passengers, including many tourists.

Subsequently, official inquiries have shown that the shortness of the runway adds to the chances of an accident in the event of human or mechanical error.

A Portuguese delegation recommended that the Santa Cruz airstrip be given a black star, meaning that it is "critically defficient."

USSR matches world oil price rises

PRAGUE—The Soviet Union is selling its crude oil to Comecon member countries "in accordance with world market prices," minus 40 per cent to account for "market fluctuations" in the West, a Czechoslovak newspaper reported yesterday.

The Czechoslovak Communist Party organ Rude Pravo provided the insight into Soviet oil pricing in an article on Czechoslovakia's crude oil imports.

It indicated the Soviet oil price was rising to match world market prices, but at a lower level.

The newspaper said Soviet oil supplies to Czechoslovakia this year would exceed 18m tonnes. If bought in the West, this quantity would cost about $3bn—equivalent to more than two-thirds of Czechoslovak exports to non-Communist countries, it added.

Rude Pravo said a "large part" of Soviet oil was being imported at a price equal to 60 per cent of the world market price—69 Convertible Roubles ($106) a tonne in 1979.

It added that 5m tonnes were being bought at a price fixed in 1966—15 Roubles ($23) a tonne.

It said about a tenth of Czechoslovakia's oil requirement was being imported from OPEC member countries at world market prices.

AP

West German electrical output up 4%

FRANKFURT — Production in the West German electrical and electronic industries will rise by four per cent this year compared with three per cent in 1978, Herr Hans Goehringer, president of the West German electrotechnical industry association, said.

The growth rate has been held back largely by the lack of power-station construction and the federal Government's decision not to go ahead with a cable television network, he added.

Reuter

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Christopher Parkes explains why Europe is at odds over lamb

Social problem down on the farm

APART FROM the well-aired issue of "principle" involved in France's ban on imports of lamb from Britain, the most remarkable aspect of the Common Market's running battle over this commodity is the violent feeling it has stirred up. After all, the product for which a marketing regime is sought accounts for a mere 2 per cent of total EEC agricultural output.

The fires of controversy, fuelled assiduously by anxious farmers and harassed Ministers of Agriculture, are burning brightest in Britain and France, which between them produce three-quarters of EEC lamb.

The British industry is fairly confident that, whatever the outcome of the negotiations, financial support for sheep will not be less favourable than that currently paid by the UK Government. The industry is thus eager to see free trade in lamb restored: it hopes that access to the high-price French market will boost profits from sheep.

French farmers, well-used to wielding their political influence in Community policy-making, want protection from the British. They claim that *anything less than a full-scale* regime like those applied to grain, beef and milk will lead to their bankruptcy.

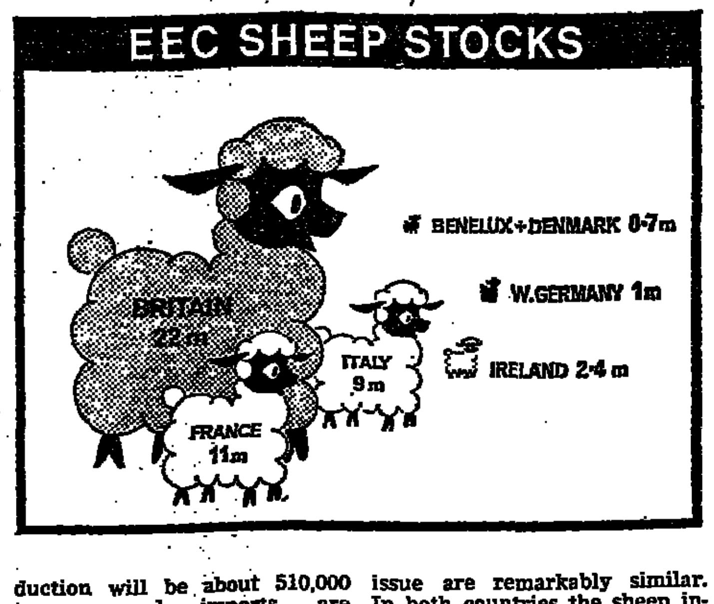
The European Commission and the Community as a whole (bar France) appear to agree that the cost of a sheep regime should be kept as low as possible. They feel mistakes made with other farm commodities should not be repeated with products yet to be brought under the umbrella of the Common Agricultural Policy

Experience has shown that traditional EEC marketing regimes for farm produce generally lead to over-production. The fault lies mainly in the intervention system which offers farmers a guaranteed outlet at a guaranteed high price regardless of market requirements. Surplus or unsuitable produce is automatically bought by the Community and put into store.

The results are the notorious "mountains" of dairy products, grain and sugar and "lakes" of wine and olive oil.

With sheep it is difficult to foresee mountains of frozen mutton building up in a Community which still relies on outside suppliers for more than a third of its annual requirements. This year EEC lamb production will be about 510,000 tonnes, and imports are expected to total 280,000 tonnes. But the risk is still there in the longer term.

EEC SHEEP STOCKS



Britain's argument against the full-scale regime sought by France is that while the farm policy faces bankruptcy, the risk is unacceptable. The country's case is somewhat marred, however, by its apparent willingness to accept other costly schemes provided it gets more out of any "pool" than it puts in.

The Commission, having had its own original proposals for a "light" regime torn to shreds by dissenting Ministers, is now composing a compromise. This will incorporate direct price subsidies for farmers based on the system currently used in Britain, and a form of intervention support which, it hopes, will ultimately satisfy French demands.

The price subsidies, better known in Britain as deficiency payments, would ensure that farmers' market prices for lamb would be *topped-up* from central Community funds to a level considered adequate to provide sufficient income for living and farming costs.

The Commission's intervention proposals are expected to be similar to the private storage schemes currently applied to pork and occasionally to beef. Full intervention would involve the Community buying and freezing surplus meat and later taking the responsibility for getting rid of the stocks. Private storage puts most of the onus on the meat industry.

For all the differences shown so far, the ultimate aims of both Britain and France on the lamb issue are remarkably similar. In both countries the sheep industry is hardly vital economically. Britain accounts for about *half* the Community's lamb production, but sheep contribute only 4.5 per cent of overall farm earnings. France produces a quarter of EEC output but the contribution to total earnings is tiny compared with that from the giant arable, beef and dairy sectors.

The key to their dispute lies in the social and regional value of the sheep business. About three-quarters of the French flock is kept on upland farms in areas classified in EEC jargon as "disadvantaged." In Britain the figure is 60 per cent. For the Community as a whole the proportion is estimated at about two-thirds.

If farmers in these areas cannot make a fair living from sheep they will be forced to migrate to the lowlands and the over-crowded industrial regions. This would impose a twin burden on their governments. *Falling sheep production* would raise food import bills, while farmers without industrial skills would have few job prospects.

In 1977 the average income of sheep farmers in England and Wales was more than £3,000 lower than the average for all types of farmer. Elsewhere in Europe, where the position is said to be the same governments are understandably adamant that the already precarious livelihoods of their disadvantaged farmers should not be imperilled by any "common" market regime.

Apart from the potential gains for Britain from Community-finance support, the UK's main hope for the continued prosperity of British sheep farming lies in free trade with the rest of the EEC. Domestic consumption has fallen catastrophically from 617,000 tonnes a year in 1962 to an estimated 400,000 tonnes this year, while the *sheep flock* has remained stable.

New Zealand imports have fallen but they remain high at around 200,000 tonnes a year. However they come mostly in the winter, when home production is low, and so interfere hardly at all with the fresh lamb market. In fact the imports are highly valued by the meat trade because they encourage people to keep up the lamb-eating habit.

As for the arguments popular in France—that Britain wants to eat its imports while off-loading home production on the French market—and these are *not as water-tight* as the farming communities of the Massif Central and Pyrenees believe.

Britain has an exportable summer surplus which, backed by the European Court of Justice, it demands should be allowed free access to all Community markets, of which France is the biggest. Until *1976, when France imposed unilateral* controls on imports, Britain had been building up a steady trade across the English Channel. Sales in France are now well down.

Expansion of production in France has meanwhile barely kept pace with rapidly increasing lamb consumption, and total imports have remained stable for the past five years. As British exports have declined, other Community traders like West Germany, Holland and Ireland have experienced a boom.

Differences in consumer taste have apparently not been taken into account in the arguments that free trade with Britain would automatically swamp the French market and ruin most French sheep farmers. British farmers also choose to ignore them, and some experts believe British exporters would be greatly disappointed by the size *of the market open to them if* free trade is ultimately restored.

The pity of the present situation is that deliberations on the market to encourage and protect the disparate interests involved were not started earlier, preferably when Britain *joined* the EEC.

Minister puts East Timor toll at 60,000

By David Housego

ABOUT 60,000 people—about a tenth of the population—had died in East Timor during the three years after the Portuguese withdrawal in *1975* as a result of either civil war or starvation, it was stated in London yesterday. This amounts to about a tenth of the population.

Dr. Mochtar Kasumaatmadja, the Indonesian Foreign Minister accompanying President Suharto on his state visit to London, was quoting provincial authorities on the death toll in East Timor following Indonesia's occupation of the province. Unofficial estimates have put the number who have died at 100,000 or more.

Dr. Mochtar said until a proper census had been carried out it was not possible to give precise figures. He was answering questions at a news conference in London. Throughout President Suharto's visit, small groups of demonstrators, including supporters of the Fretilin resistance movement which opposed Indonesia's takeover *of East Timor*, have pursued the President with placards carrying slogans such as "the butcher of Jakarta."

Dr. Mochtar said that 200,000 of the population had already benefited from relief operations and another $2,000 would be covered by a joint programme run by the Indonesian Red Cross and the International Red Cross.

On Indochina, Dr. Mochtar, considered one of the most pro-Vietnamese of the ASEAN foreign ministers, said it was important to "keep lines open" to Hanoi. He declared that ASEAN did not regard Vietnam as an enemy in the long run.

● AN OXFAM barge carrying 1,500 tonnes of relief supplies to Kampuchea sailed into the Mekong River yesterday under a Vietnamese pilot, Oxfam reported in Singapore.

The barge, under tow by tug, had waited at the mouth *of the river for nearly two* days for permission to proceed up the river through Vietnam to Phnom Penh.

An Oxfam spokesman in Singapore said he assumed the captain had paid the full $2,0[illegible] demanded by the Vietnamese for pilotage and other fees.

West Bank mayors call for independent state

BY DAVID LENNON IN TEL AVIV

THE MAYORS from the occupied West Bank and the Gaza Strip called yesterday for the creation of an independent Palestinian state, while the Israeli Government announced proposals *for a big increase* in Jewish settlements in the occupied Arab territories.

The mayors, who have resigned in protest at Israel's intention to deport the Mayor of Nablus, on the West Bank, held a meeting there yesterday, at which they declared the Palestine Liberation Organisation to be their *sole* representative.

In a joint statement, they said they will not return to their posts until Mr. Bassam Shaka, the mayor of Nablus, is released from jail and reinstated. Mr. Shaka has been in detention since Sunday, pending a court hearing of his appeal against the *expulsion* order.

The mayors, of differing political hues, were united in their anger about the threatened expulsion of their colleague, whom Israel accuses of incitement against the occupation.

The Defence Ministry confirmed yesterday that it intended to remove the senior Israeli officer in charge of the occupied territories. His conversation with Mr. Shaka last week was published in a distorted form in the local Press, giving rise to the pressures which led to the decision to *depart the mayor.*

The mayors accused the Government of trying to perpetuate the occupation and declared: "We say to the occupiers we will never kneel, we will never bow, we will never bargain, and we will never give up a grain of our national soil."

The unrest, which has affected commercial and school life since Mr. Shaka's arrest, spread yesterday to Arab East Jerusalem, which Israel annexed in 1967.

Security forces moved quickly to break up demonstrations in the city and re-inforced patrols *were drafted* into the streets, where shops have closed in protest against the expulsion order. In other parts of the West Bank and in the Gaza Strip, soldiers detained stone-throwing youths and forced local residents to remove hastily-constructed road-blocks.

While all this was going on,

Fingers raised in the victory sign, Nablus demonstrators hoist Ramallah's Mayor Karim Khalaf on to their shoulders.

an Israeli Cabinet committee in Jerusalem approved a programme for a big increase in Jewish settlement in the occupied territories. It would involve the construction of 10,000-15,000 additional housing units a year. In the first year alone, it would cost more than $3bn.

The plan was denounced as an impractical move designed to placate ultra-nationalist settlers by Mr. Simcha Erlich, the Deputy Prime Minister. Mr. Shmuel Tamir, the Justice Minister, said he would appeal against the plan before the full Cabinet.

The programme calls for the construction of 19 new settlements in five locations on the West Bank, in addition to converting 12 paramilitary outposts into civilian settlements. It also envisages the expansion of settlements on the Golan Heights, as well as building new settlements in the Gaza Strip.

The plan would appear to be well beyond the means of the *country to implement,* because of a shortage of construction materials and workers. There is also considerable doubt whether the over-strained economy could bear the added financial burden.

Meanwhile, Israel returned to Egypt yesterday a fourth section of the Sinai peninsula, including the *historic Mount Sinai. The* Israeli withdrawal took place two months ahead of schedule.

Arabs split on Lebanon

TUNIS—Chedli Klibi, Arab League *Secretary* General, warned Arab countries yesterday their own conflicts, particularly in South Lebanon, encourage Israel's "obstinacy and expansionism."

Opening a delayed meeting of the Arab League Ministerial Council — without Egypt — he *told the* Arab leaders they were weakening their own cause by allowing Israel to exploit their "contradictions."

The opening of the meeting was postponed on Wednesday because of differences over a Lebanese proposal to demilitarise southern Lebanon, including the withdrawal of Palestinian guerrillas and Israeli-backed Christian militias from areas adjoining the Israeli border.

Delegates said there was no change in the opposing positions, with Fouad Butros, Lebanese Foreign Minister, insisting on the withdrawal and the Palestine Liberation Organisation rejecting it.

Klibi, a Tunisian, renewed attacks on the Camp David agreements between Egypt and Israel, which, he said, "split Cairo from the Arab world and removed Egypt from the battlefield" against Israel.

AP

RHODESIA : APPROACHING A SETTLEMENT

Moves begin to halt the bitter battle

The situation in Rhodesia is examined by Bridget Bloom, Michael Holman and Mark Webster in London; Tony Hawkins in Salisbury and Quentin Peel in Johannesburg

THE ALREADY-LENGTHY negotiations at the Lancaster House talks move into their final stages today with an attempt to end the bitter seven-year war which has claimed over 20,000 lives, forced 200,000 Rhodesians to take refuge in neighbouring countries and most recently has cost the Salisbury Government £¾m a day.

Other countries in the region have also paid a high price during the conflict. Rhodesian jets and ground- and air-borne troops have launched raids into Angola, Zambia and Mozambique in which thousands of guerrillas, civilians and refugees have died, and economic targets like vital road and railway bridges have been attacked.

Zambia, Mozambique and Botswana now shelter over 250,000 Rhodesian refugees, many of whom are women and children.

Once the ceasefire talks commence, the politicians will be joined by their military commanders, the key figures in a conflict which has left few areas of Rhodesia or individuals untouched.

Some 90 per cent of Zimbabwe Rhodesia has been brought under martial law. In many areas African schools, cattle dipping stations and local councils have been forced to close.

As part of the Rhodesian counter-insurgency campaign over 200,000 Africans have been compulsorily regrouped into fenced and patrolled "protected villages" in the rural areas. The country's 6,000 white farmers and their wives carry guns as a matter of course.

A system of protected convoys operates for vehicle traffic between the main centres and on the road south to South Africa. Travellers on dirt roads face the constant danger of landmines.

The Patriotic Front guerrilla alliance cite the steady breakdown in rural administration and the extent of martial law as support for their claim that 90 per cent of the country is "semi-liberated." But while the Rhodesian forces are too thinly stretched to maintain security throughout the country, troops with air support permit the Salisbury administration to enforce its authority in any chosen area.

A successful ceasefire must embrace five armies, only one of which is a regular force. The guerrillas now spread throughout the country lack a conventional command structure, and their tactics include ambushes on mined country roads, attacks on isolated white farmhouses, harassment of Rhodesian regular forces, and bombing incidents in the towns themselves.

The five armies in the conflict are:

● **Patriotic Front:** This alliance of Mr. Joshua Nkomo, leader of the Zimbabwe African Peoples Union (ZAPU) and Mr. Robert Mugabe, leader of the Zimbabwe African National Union (ZANU), was formed in October 1976. Although the two wings have cooperated closely over political strategy, efforts to integrate the two guerrilla armies (ZIPRA and ZANLA) have met with limited success and reports of clashes between them have been persistent.

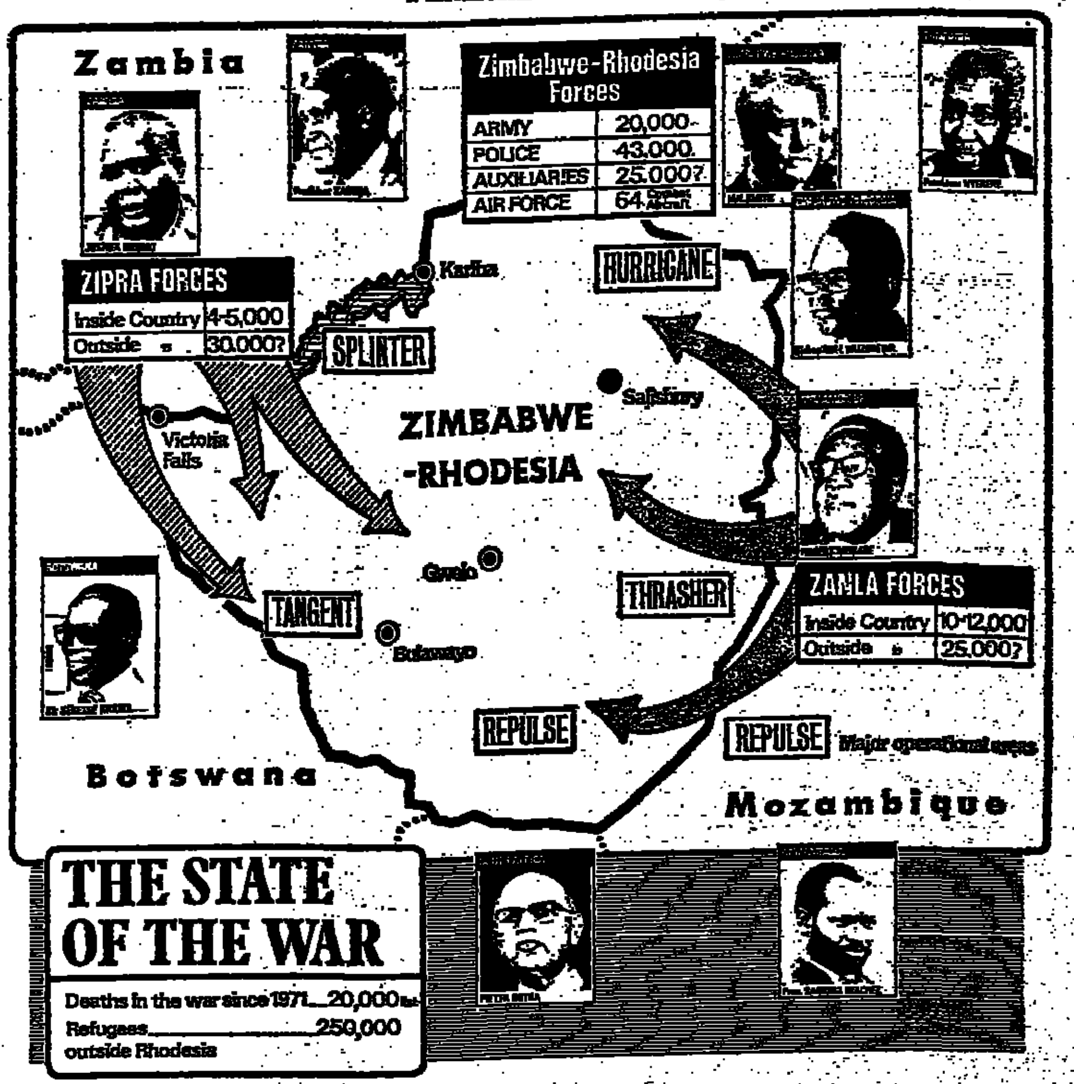
Total guerrilla strength inside the country, 90 per cent of which falls under tough martial law regulations, is put at around 15-16,000, a third of whom are said to be from ZIPRA. Up to 30,000 ZIPRA guerilas are based in Zambia and Angola. Some 25,000 from ZANLA are in Mozambique.

● **Rhodesian armed forces:** With total mobilisation Rhodesia could put 90-100,000 men in the field, predominantly black but with effective control in the hands of white officers. The regular army is made up of some 6,000 men, of whom about 80 per cent are blacks. A further 14,000 reservists and conscripts, nearly all of them white, are also serving.

Rhodesia's army consists of one armoured car regiment, one white infantry battalion (the Rhodesia Light Infantry), four black battalions (the Rhodesian African Rifles), the Selous Scouts (a mixed counter-insurgency unit of battalion strength), the Special Air Services (a white commando unit) and the Grey Scouts (a mixed mounted battalion).

The air force consists of 64 combat aircraft, including helicopters, Canberras, Vampires and Hunters. The police force is 8,000 strong, about 30 per cent of whom are white. Of an estimated 35,000 police reservists, 80 per cent are white. Blacks dominate para-military units policing "protected villages."

● **Security force "auxilaries":** The so-called Pfumo Revanhu (Spear of the Nation) are young blacks led by former guerrillas who have changed sides. Most are loyal to Bishop Abel Muzorewa's United African National Council, but some owe allegiance to Rev. Ndabiningi Sithole's wing of the Zimbabwe African National Union.



Neighbouring states make themselves felt

MRS. THATCHER'S talks yesterday with the vice-chairman of Nigeria's ruling party again underlined the critical role played by the Commonwealth and African states during the Lancaster House negotiations.

Mr. Alhaji Maitama Sule is reported to have told Mrs. Thatcher that Nigeria's new civilian government was just as committed to its tough position over Southern Africa as the hardline military regime it succeeded.

He added that any solution which did not involve the Patriotic Front would not be considered satisfactory in Lagos. Nigeria's decision in August to nationalise the interests of BP in the country showed its determination to pursue its strong line over white rule in southern Africa.

Since September, three Commonwealth heads of state have visited London in an effort to aid the talks. President Julius Nyerere of Tanzania came at the start of the talks and held discussions with Mrs. Thatcher, as did Mr. Michael Manley, the Jamaican Prime Minister, on October 29.

Last weekend President Kenneth Kaunda of Zambia had six hours of talks in Downing Street. He presented compromise proposals on transitional arrangements which, although they do not form the basis of the present agreement, helped to ease the deadlock

The co-operation of the Front Line states will prove especially important in achieving a ceasefire. Large numbers of the Patriotic Front's guerrilla forces are based in Zambia and Mozambique, and the agreement of both governments will be vital for policing a ceasefire.

● British industry is poised to cash in on Zimbabwe Rhodesia's return to legality.

As soon as sanctions are fully lifted trade missions will be sent to Africa. The Confederation of British Industry and two other organisations have already asked about assistance for missions from the British Overseas Trade Board.

Concern in Salisbury over status of guerrillas

MR. IAN SMITH'S Rhodesia Front yesterday announced its unanimous support for the Lancaster House agreement but expressed concern at reports that the Patriotic Front guerilla forces would be given equal status with the official security forces during the transitional period.

Mr. Pieter van der Byl, Minister of Transport ni the Muzorewa Government and a senior adviser to Mr. Smith, said that the Rhodesia Front supported the agreement on both the constitution and the transition, but not this "bolt from the blue," givnig equal status to the Patriotic Front guerrillas during the election period.

The South African Government remained sceptical about the lasting success o fthe settlement but was less hostile than it was at the outset.

The maintenance of internal security, and the timescale of transition to an election were its main worries.

Black political groups, which welcomed the agreement, also expressed reservations about the status of the guerrillas. A spokesman for the Rev. Ndabaningi Sithole's internal wing of the Zimbabwe African National Union (ZANU), said that the concession to the forces was a "blueprint for disaster and chaos that will worsen rather than improve the security situation." The ZANU spokesman warned also about the dangers attached to the rapid build-up of auxiliary forces loyal to Bishop Muzorewa.

Mr. James Chikerema, leader of the Zimbabwe Democratic Party, also expressed reservations about the guerrilla forces. They should be "put in barracks and disarmed," he said, so that people could vote without intimidation.

Mr. Chikerema said the existing *security forces owed allegiance* to no political party but to the state, whereas the Front guerrillas were openly political. "If they are allowed to monitor elections, they will never be free and fair," he warned.

The reported agreement on the forces was condemned also by Sir Roy Welensky, the former federal Prime Minister, who said: "I understand the whole object of the proposals was to have free and fair elections, but who are greater masters at the art of intimidation than the terrorists?"

But Mr. Garfield Todd, Prime Minister of Southern Rhodesia during the 1950s and a supporter of the Patriotic Front, said the London agreement was the "best news we have had in 15 years."

The Government in Pretoria was considerably reassured last month, when Mr. Pik Botha, the Foreign Minister, met Mrs. Margaret Thatcher and Lord Carrington in London, particularly over the composition of the security forces.

'Immense gamble' of a return to direct control

IF A CEASEFIRE in the guerrilla war can be successfully negotiated at Lancaster House over the next week or two, Britain's proposals for an interim government to rule Rhodesia between the ceasefire and elections will then come into effect.

They provide, for the first time ever, for Britain to take direct control of Rhodesia through a governor who will have as wide powers as any given to any 19th-century imperial pro-consul. But unlike the pro-consul, he will not have his own military force to restore peace should the ceasefire break down.

Evolution of a 'company colony'

Rhodesia was a "trading company" colony until 1923, when it was granted self government. Whitehall exercised some residual powers (over the welfare of Africans, for example, and overall control of foreign affairs) but has never had civil servants or soldiers in Rhodesia.

Yet under the interim proposals which were finally agreed yesterday, London is likely to send upwards of 1,000 Britons to Rhodesia, to be in charge of everything from Government House to the elections and the ceasefire.

The plan is an immense gamble. Lord Carrington, the Foreign Secretary, has called it an act of political courage. Though none of the interim plans will be activated unless there is agreement on a ceasefire, all parties, including the British, are surprised that they have got so far, which partly *explains why the proposal is* still little more than an outline.

Another fundamental reason is that Mrs. Thatcher, Lord Carrington and their advisers believe that only by retaining the greatest flexibility can the Government pull off what seemed only a few months ago to be an impossible task: the agreement to a peaceful election of parties which have been fighting a bitter seven-year war.

The plans for an interim Government were submitted to the Lancaster Conference on November 2 in the form of a 41-point document, which was accepted in its entirety on November 5 by the Salisbury delegation. In the subsequent negotiations with the Patriotic Front, only one sentence has been added to that document, although Lord Carrington has clarified certain points notably in his speech to the House of Lords on Tuesday, and in a conference reply on Wednesday.

Britain proposes to appoint a governor who will have dictatorial powers but whose role is intended to be strictly limited. The governor is to rule Rhodesia for as long as it takes for elections to be held: it is not even stated in the proposals that he will stay long enough to hand over to the newly elected Government—although obviously it must be assumed that he will.

The precise length of time during which he will hold sway over Rhodesia remains to be negotiated. Britain says that all parties have agreed that an election will be held eight to nine weeks' after the establishment of a ceasefire, but the three parties differ on how long that ceasefire will take to put into effect.

Britain says two weeks, Salisbury says 3-4 days and the Front says two months. The betting is that the governor would (if all goes well) be in Rhodesia for little more than three months.

During this period, Britain will exercise its responsibility in three main areas.

● In the day-to-day administration, the Governor, assisted by a deputy governor and an unspecified number of staff, will govern the country through the existing Rhodesian civil service. The Governor, according to the key paragraph 13 in Britain's plan, will have "executive and legislative authority" conferred on him by an Order in Council in the British Parliament, now made possible with the passing earlier this week of the Southern Rhodesia Act, 1979.

The governor will "act according to the instructions given him . . . by the British Government" and will "have powers to make laws by ordinance for the peace, order and good governance of the country."

The Order in Council under which the governor will be appointed will also, the plan says, serve as the interim constitution of Rhodesia. It states *baldly that "provision will be* made to carry forward existing laws" but is not more specific.

'An act of courage'

However, the Governor is to be assisted by his own military adviser and police adviser, each with their unspecified own staff.

● Elections: Britain will appoint a British electoral commissioner, who will chair an Election Council. All parties contesting the election will be represented equally on the Council. Lord Carrington in deference to PF *objections* declared earlier this week that the council "will have no connection with the existing machinery of government." The commissioner could have a British staff of at least 100.

● Ceasefire: Britain has proposed that a Commonwealth force "of several hundred" be established to monitor the ceasefire. Britain will provide the largest contingent.

ZIMBABWE CONSTITUTION

'Genuine majority rule'

LORD CARRINGTON tabled the full draft of the British constitution for Zimbabwe on October 3 saying it "indisputably makes provision for genuine majority rule" while at the same time provides "adequate safeguards for the minority community for a number of years."

The Salisbury delegation accepted the British proposals two days later, but it was nearly two weeks before the Patriotic Front gave its approval. The major differences between the new constitution and Mr. Ian Smith's "internal agreement" constitution were the removal of the white minority's blocking power in Parliament and the increased control given to the Government over the public service commissions and the armed forces.

The main points of the British constitution are:

● A Westminster-style two-House assembly.

● Whites will have 20 seats in a 100-seat Lower House, elected on a separate voters' roll.

● The Senate will have 40 members of whom 10 will be elected by white MPs.

● Changes in the constitution can be effected by a majority of 70 per cent in the Lower House except on two key issues: a unanimous vote is needed to alter white representation in Parliament and the Bill of Rights.

● The Government will have "appropriate control over the armed forces and the public services."

● There will be automatic citizenship for those who entered the country since UDI and dual citizenship will be allowed for ten years.

Lord Carrington

● Under the Bill of Rights there is "freedom from deprivation of property" (which covers pensions), although under-utilised land can be acquired with appropriate compensation.

Iran freeze order applies to U.S. banks overseas

THE U.S. Treasury confirmed yesterday that President Jimmy Carter's order on Wednesday to freeze Iran's official assets applies equally to foreign banking operations of U.S. banks, and to branches and subsidiaries of foreign banks inside the U.S.

Foreign Governments and central banks have begun objecting to the sweeping nature of the U.S. action, and some observers have noted that Washington appeared to be "having it both ways"—asserting the primacy of its law to U.S. banking operations abroad, while also claiming control, in this instance, over foreign-owned banks in the U.S.

The Treasury claims to be unaware of opposition to the order freezing assets abroad. But it has made one significant last-minute amendment to the asset-blocking order, to allow U.S. banks' foreign branches and subsidiaries to use frozen Iranian assets to pay off claims they may have against the Iran Government.

Domestic offices of U.S. banks (and foreign banks in the U.S.) have not been granted this flexibility, which Treasury officials say was sought by banks abroad. Citibank, the major New York institution, is already believed to have used some of its Iranian deposits to repay loans made to the Iranian Government and its agencies.

The U.S. Government's freeze on official Iranian deposits extends in practice to U.S. branches and subsidiaries abroad, even though in legal terms it may not, an expert in business law said in London yesterday.

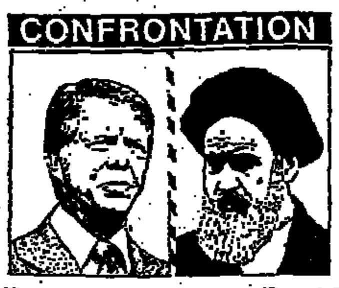
Dr. F. A. Mann, of Herbert Smith and Co, solicitors, explained that under English law the freeze was not applicable to banking subsidiaries and branches of foreign banks operating in England. But he explained that if the subsidiary of a U.S. bank in London obeyed an Iranian request to transfer funds to another bank, it would find the transfer impossible to arrange.

"These deposits involve very large sums of money, much too large to transfer by means of dollar bills," Dr. Mann explained. "The only way an American bank could effect any payment out of an Iranian account would be by using a draft (cheque) on its U.S. parent. Because of the U.S. freeze, the parent could not honour this draft."

Dr. Mann agreed with the view of a major firm of U.S. lawyers that under U.S. law the President's freeze did indeed extend to branches and subsidiaries abroad. But he argued that this apparent conflict with British law was in practice irrelevant. "It has always been a myth that dollar deposits with banks abroad are independent of banks in the U.S."

The other area where banks were hurriedly consulting their lawyers and legal counsel involved the status of loans in recent years from the Western banking system to Iranian borrowers.

CONFRONTATION



Reports from David Buchan in Washington, Nicholas Colchester in London and John Wicks in Zurich.

Indications last night were that a regular six-month interest payment due on the $500m Imperial Government of Iran loan, on which Chase Manhattan is the agent (administrative) bank, had not been received yesterday, as called for in the repayment schedule.

Well-placed bankers said that missed payment, which was being advised to all the members of the original banking consortium which granted the loan in early 1977, was a result of the Iranian reaction to the blocking order from Washington.

The lack of any payment instruction from Tehran on this significant Eurocurrency transaction must now tend to confirm bankers' fears that the Iranian authorities will cease normal repayments when U.S. banks are centrally concerned in the credits.

This is because of the uncertainties caused by the fact that U.S. banks, both in the U.S. and overseas, must block Iranian official funds.

The central question is whether U.S. banks can now debit such accounts to keep Iranian Government, or semi-Government, credits current as regarded interest and principal, bankers said.

While the U.S. move was welcomed by Dr. Fritz Leutwiler, president of the Swiss National Bank, the Swiss authorities pointed out that it could not cover assets in Switzerland. This is also seen as applying to Iranian accounts with the Swiss branches of U.S. banks, such as branches being subject to Swiss law. Any freezing of assets could be grounds for legal proceedings, whereby Dr. Jacques Schuster, the Banking Commission deputy director, says: "Swiss judges would not take a ban of this kind into account."

The Iranian embassy in London said yesterday Iran had no plans to try to withdraw Iranian assets in British branches of U.S. banks. Its statement also indicated that this applied to any other bank as well.

Dr. Ali Afruz, the charge d'affaires, said his Government was sure the British Government would take care of Iranian assets in Britain whether they be in U.S. banks, or British, Japanese or European.

Attempt to play down size of Chase funds

BY DAVID LASCELLES AND JOHN EVANS

THE U.S.' confrontation with the Khomeini regime has has trapped a lot of people in the cross-fire, but few have attracted quite as much publicity as Mr. David Rockefeller and his fellow bankers at Chase Manhattan.

Earlier this week, Mr. Abolhassan Bani-Sadr, Iran's new Foreign Minister, singled out Mr. Rockefeller as a leading figure in the arrival of the Shah in the U.S., and when Iran threatened to withdraw its millions from U.S. banks, Chase, was immediately identified as one of the largest custodians of Iranian funds.

Chase itself does not deny its close involvement in the Iranian situation, though officials at its Wall Street headquarters were yesterday trying to play down the importance.

Sources at Chase said they doubted that the bank was the largest holder of Iranian funds in the U.S. as had been widely suggested. Citibank and Bank of America probably had more, they said.

As for the personal role played by Mr. Rockefeller, the scion of the Rockefeller family who has been chairman of Chase for 19 years, there is no doubt that he was involved in the arrival of the Shah in the U.S., but the exact extent is not clear.

The Iranians say he interceded on the Shah's behalf with the State Department. However, sources at Chase say that his role was limited to bringing medical evidence of the Shah's illness to Washington's attention.

Whatever the true facts, Chase's involvement in the Iranian affair stems from the long personal association between Mr. Rockefeller and the Shah, and Chase's prominent banking position in Iran.

Mr. Rockefeller has tsaid frequently that the Shah had been a friend of the U.S. for 37 years, and should be treated accordingly in both good times and bad. At a personal level, Mr. Rockefeller and the Shah have been friends for about 20 years, and they met frequently while the Shah was still in power.

Although Chase was slow to move into the Middle East compared to other U.S. banks, it had managed by the early 1970s to establish itself as a leading bank in Iran. In 1974 it set up a joint venture bank with the Industrial Credit Bank of Iran, in which it held a 35 per cent stake. After the overthrow of the Shah, the bank was seized and Chase was not compensated for its interest in the venture.

Chase Manhattan's main area of financial exposure to Iran arises from the active role it has taken in the past few years in extending syndicated dollar loans, both to the Government and private-sector borrowers.

It acted both as a lead manager for these loans, or as an agent bank administering the transactions. This loan activity had helped give it the reputation for being the Western bank most closely associated with the Shah's regime,

Among the more significant loans where Chase has acted as agent or manager was the $500m credit for the Imperial Government early in 1977. The bank was also prominently involved in the $360m arrangement for the National Petrochemical Company of Iran and the $250m credit for the Telecommunications Company of Iran—loans arranged while the Shah was in power.

Since the revolution, Iran has not publicly borrowed in the syndicated Eurocredits markets.

Chase has refused to comment on its exact exposure to Iran on such credits. But it has confirmed that its overall exposure is limited to less than 1 per cent of its total loan portfolio of $39bn—in other words less than $400m.

Difficulties mounting for Bolivia

By Hugh O'Shaughnessy

GROWING ECONOMIC difficulties were yesterday facing Col. Alberto Natusch Busch, the officer who seized power in Bolivia on November 1, as he struggled to maintain his position in the face of hostility from civilians and fellow officers.

With foreign reserves very low, the banks have been ordered to close, and sales of foreign currency have been suspended. The Government is reported to be about to introduce a two-tier exchange rate, with dollars for "unnecessary" imports being sold at around 28 pesos, and basic imports being bought at the present 20 pesos to the dollar rate.

Bolivia is estimated to need some $300m to service its debts up to the end of the year. Bolivia has been hard hit by the decision of the U.S. and Venezuelan Governments to cut aid to the Natusch regime.

The right-wing Col Natusch is facing discontent from influential constitutionally minded officers opposed to his bid for power, and on Wednesday he briefly arrested Cols. Gary Prado, Raul Lopez Leyton, Hermes Fellman and Edgar Claure. Other senior constitutionalist officers are in hiding.

Meany makes a fighting farewell

BY STEWART FLEMING

MR. GEORGE MEANY, the 85-year-old leader of the American Federation of Labour—Congress of Industrial Organisations yesterday bid his formal farewell to the labour movement he has dominated for over 25 years with another biting attack on the Carter administration.

Speaking from a wheelchair, he hit out at the administration's "shifting, changing economic policies" which "have, without exception, failed because they were ill-advised, ill-considered, ineffective and inequitable."

Referring to the recently announced "national accord" between labour and the administration on inflation and aspects of economic policy, Mr. Meany rebuked the President.

"It is an accord we would willingly have negotiated with the administration a year ago, but there was no real willingness on the part of the administration to treat us as a concerned partner at that time."

He added: "We have the integrity to live up to our end of the bargain. We also have the courage to blow the whistle if the administration fails to fulfil the obligation it has undertaken."

The 2,000 U.S. trade unionists attending the 13th convention of the AFL-CIO in Washington listened attentively, interrupted with applause briefly and gave the frail-looking octogenarian standing ovations at the beginning and the end of his address.

But, whatever sadness there was at the retirement of a man who led organised labour through an era which saw unions achieve new peaks of political power in the 1950s and 1960s, was compromised by the knowledge that labour's political influence has begun to wither in the 1970s.

In part, this is due to the failure of union leaders to adjust quickly enough to changes in society and the economy which have been responsible for this decline; in part, it is due to the sophistication which business has brought to the political battlefield.

"Today the American trade union movement is vital dynamic and growing," Mr. Meany told his audience. But there are many at the convention who will have found more relevant his appeal for unity and for labour to rally to meet the challenges ahead.

"The labour movement cannot be content with defending the status quo or reliving past glories," he said. "We must constantly look to the future . . . to the mission of the trade union movement as the instrument for enhancing the working and living conditions of those who work for wages."

Three times he raised his arm to acknowledge the applause, then he was wheeled away, leaving the delegates to await the second high spot of the opening day of the convention—an address by President Carter.

Industrial production up by 0.1% in October

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

INDUSTRIAL PRODUCTION in the U.S. increased by a very small amount in October, according to figures issued yesterday by the Federal Reserve.

Last month's 0.1 per cent rise in the index is smaller than the 0.5 per cent September increase, but contrasts with August's 0.8 per cent decline.

The October returns provide few clues to economic performance immediately after the Federal Reserve adopted stringent monetary measures early in the month.

Most observers believe it may take a month or two before a clear assessment of the depth and duration of the recession can be made. Even then, calculations may be upset by the extent to which OPEC raises its oil prices next month, and by the availability of oil.

In October, the strongest segment of industrial production was consumer goods, which rose by 0.3 per cent. This reflects both the continued resilience of consumer purchasing and preparations for the Christmas buying period.

Car production in October was basically unchanged from September, running at an annual rate of 7.9m vehicles — 11 per cent below the average for the first half of the year. Car sales, however, have slipped badly in the past few weeks. In the first 10 days of November they were 25 per cent below sales for the same period a year ago, so that even this output level is unlikely to be sustained.

Setback for Quebec separatists

By Robert Gibbens in Montreal

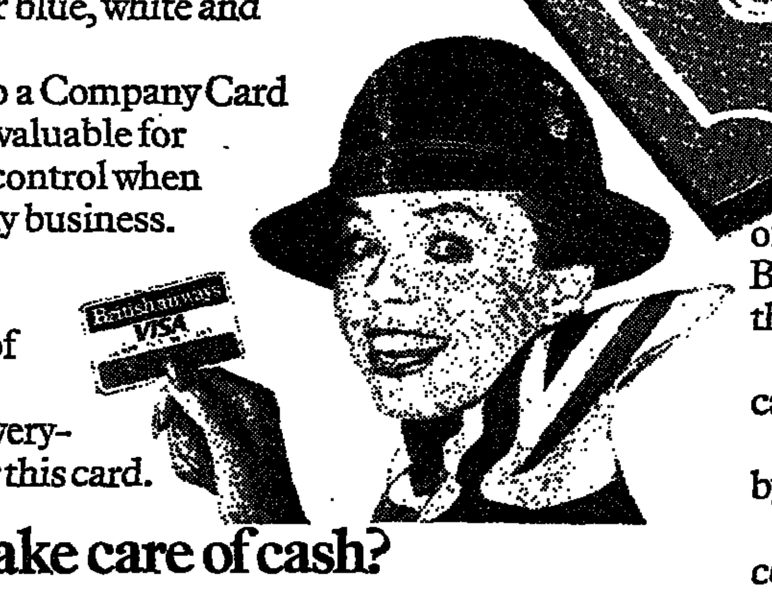
QUEBEC LIBERALS under Mr. Claude Ryan have made a clean sweep of three by-elections, dealing the independence-inclined Parti quebecois provincial Government its heaviest blow since it came to power three years ago.

A fourth by-election next Monday is expected to go the same way. Two of Tuesday's contests had been expected to go to the Liberals, but the margins proved wider than expected. The surprise was the return of M. Georges Lalande, a Liberal, in the working class district of Maisonneuve in Montreal.

He beat M. Jacques Defarais, who had been handpicked by M. Rene Levesque, the Premier, by 11,114 votes to 7,520. The triumph followed a year's door-to-door electioneering by the Liberals. Some observers believe that the result at Maisonneuve will be a severe setback to M. Levesque's independence option, which calls for a sovereign Quebec in economic union with Canada.

But it seems more likely that local issues, which the Liberal canvassers stressed, combined with high unemployment in the construction industry, carried at least as much weight with the voters.

Standings in the National Assembly now are: Parti quebecois 68, Liberals 29, Union nationale (federalist) 9, Independents 3, vacancy 1.



Greek accord may bring £400m deals to Britain

BY DAVID TONGE

TWO PUBLIC sector contracts totalling about £400m and a long-term agreement for the supply of British coal to Greece are foreshadowed in a trade protocol due to be signed in London today by Sir Ian Gilmour, the Lord Privy Seal, and Mr. Constantine Mitsotakis, the Greek Minister of Co-ordination.

The protocol also raises the possibility of sales of British oil to Greece. The British National Oil Corporation has been mentioned in this context, though, due to a successful forward sales programme, is known to have no oil available for two years.

The protocol consists of a "memorandum of understanding" and four annexes. It follows years of British disappointment with the Greek market but seeks to take advantage of the impetus to trade which will be given by Greece's accession to the EEC in January 1981.

The British Export Credits Guarantee Department is to make £400m of potential credit available. This will cover up to 100 per cent of the value of UK goods and services and will be in accordance with normal OECD consensus terms. Interest rates will be between 7½ and 7¾ per cent, and the term up to 10 years.

The two major possible contracts are for a power station incorporating two 350 megawatt bituminous coal-fired generating units and for modernising parts of the Greek railway system. Each of these projects could involve costs around £200m.

Contracts are to be concluded with UK interests for the initial survey design and construction of the generating capacity. British Electricity International is to complete a site investigation, outline design and budgetary cost estimate study by March 1, 1980.

By April 1, 1980 General Electric is to make a contractual offer for the detailed design, manufacture and erection of the plant; it is to work as far as possible with Greek companies. British Electricity International will supply experts.

Once the plant has been set up a long-term coal supply contract is to be signed with National Coal Board and/or Intercontinental Fuels. About 2m tons of coal will be required annually.

All these contracts are dependent on the terms being internationally competitive — which appears to leave the Greeks free to open them to international tender. However, the British and Greek governments express their wish to see them signed by autumn next year, a proviso which may have been insisted on by the British who have long experience of Greek prevarication.

The protocol does not refer to any arms deals. It refers to discussions on developing Greece's minerals, in particular making ferro-chrome.

Next week the ECGD and Morgan Grenfell are expected to sign a £2m general line of credit with the Greek bank Ergobank, the first line of credit allowed to a Greek borrower as opposed to a buyer credit.

UK blamed for sluggish Soviet sales

MOSCOW—A Moscow newspaper yesterday blamed the British Government for the sluggish growth of Anglo-Soviet trade, saying London was discriminating against the Soviet Union.

The official daily newspaper, Socialisticheskaya Industriya, said poor trade contacts were a reflection of Britain's attitude to the Soviet Union and detente—a constant theme in the increasingly frequent official attacks on Prime Minister Margaret Thatcher.

"Were it not for the discriminatory steps of the British authorities, business contacts between the USSR and Britain could be raised to a higher level," the newspaper wrote.

British exports to the Soviet Union have fallen over the past two years while trade in the opposite direction has continued to rise. Last year, when bilateral trade fell 2 per cent, Britain had a trade deficit with the Soviet Union of £440.5m.

Commenting on high-level Anglo-Soviet commerce talks which ended three weeks ago in Moscow, the article said trade problems were solely the result of politics, and called on British businessmen to develop Soviet contacts.

The sale to the Soviet Union of 150 so-called strategic items was banned, it said. Many of these were now exported by the Soviet Union itself, the article added, describing the ban as a "survival from the cold war."

Socialisticheskaya Industriya quoted as examples of banned exports metal-cutting machine tools and some types of synthetic rubber and electronic equipment.

Western diplomats in Moscow said they knew of no special restrictions on Anglo-Soviet trade. But Britain, as a member of NATO, had its exports of goods of potential military use vetted by the Paris-based watch-dog Cocom. Reuter

Morocco Minister attacks growing EEC protectionism

BY FRANCIS GHILÈS AND ANTHONY McDERMOTT

THE INCREASING protectionism of the EEC in its trade relations with Morocco has been a major theme of talks between Mr. Azeddine Guessous, the Moroccan Minister of Trade and Industry, and British Ministers. Mr. Guessous started a four-day visit to Britain on Tuesday.

At a press conference yesterday he stressed that this growing protectionism had hit two vital sectors of his country's exports in which Morocco had made great strides in recent years: fruit and vegetables, and textiles.

As a result, Morocco's trade deficit with the EEC countries had reached $1bn in 1977 and was one factor—the other being the drain on the economy caused by the war in Western Sahara—which had led to emergency import control measures being taken last year. The deficit has since fallen to $750m last year and is expected to be about $700m this year. However, the problem would be exaccerbated when the EEC was expanded to include Greece, Spain and Portugal.

The other main topic raised in talks was British-Moroccan trade, which has been greatly in Britain's favour. British trade has probably suffered slightly less than that of competitors from the measures introduced to restrict imports because of the nature of these goods, mainly capital equipment.

Exports between January and September 1978 totalled £60.2m, but have fallen by 15.8 per cent to £50.7m over the same period this year. Imports — mainly phosphate and agricultural products—recorded a rise of 10.2 per cent over the same period from £30.5m to £33.6m. In 1978 British exports totalled £76.5m and imports from Morocco £44.1m.

Mr. Guessous said that a particular grievance felt by countries like Morocco, which had been trying to co-ordinate its policies towards the EEC with such fellow sufferers as Tunisia, was that EEC member countries often produced vegetables using costly artificial means, whereas these same products could be produced more cheaply and naturally in Morocco. He commented that the UK, through its heavy contribution to the Common Agricultural Policy (CAP) was thus subsidising expensive European producers to the detriment of more economic Third World countries linked by association with the EEC.

One way of countering this was to diversify towards the East Bloc. Mr. Guessous said that one third of Morocco's oranges were now sold in the Soviet Union but adapting products to new markets was costly. The countries of Western Europe remained the most natural partners.

Mr. Guessous also announced that the plan to build a steelworks at Nador in north eastern Morocco—a project on the books since 1948—had been given the final go ahead. Originally scheduled to take three years, this was now to be spread over seven years at a cost of $2bn. W. S. Atkins of the UK are consultants to this project.

Oil exports disclosure cuts Canada deficit

By Victor Mackie in Ottawa

A FAILURE by Irving Oil of New Brunswick to file Customs reports on an estimated C$500m (£200m) worth of exports this year means that Canada's trade performance is much better than the official record reported, the Government Statistics Branch said yesterday.

Dr. Peter G. Kirkham, chief statistician, announced that the branch had discovered the company's failure to report their exports. The information, therefore, was not included in Statistics Canada external trade release figures.

The exact value of the petroleum exports has not yet been established, but if the estimated C$500m is correct, it would mean Canada's surplus in merchandised trade in the first nine months of this year should be about C$2bn instead of the C$1.5bn previously reported.

The expected 1979 deficit on current account (all international transactions, including ....) would amount to about C$6.5bn instead of the forecast C$7bn. There would be upward adjustment of national production figures also.

The disclosure by Statistics Canada aroused sharp reaction from the two Opposition parties in Parliament.

Statistics Canada's estimates of the country's external trade position are based on Customs information, Dr. Kirkham explained. The company's failure to file the required documentation will cause corresponding upward revisions to the estimates of merchandise exports, the national income and expenditure accounts, and a downward revision of the deficit in the current account and balance of payments.

Revisions may also be required to the estimates of industry product and the financial flows.

Dr. Kirkham said the unreported exports were discovered by SC officials when they investigated inconsistencies between the value of exports of certain refined petroleum products and other related information. A manual search through about 2.5m Customs documents was undertaken and it was determined that the company had failed to file the required documents.

Bid to boost Albania business

BY OUR ATHENS CORRESPONDENT

GREECE and Albania have decided to increase their trade exchanges to $50m a year from 1980, consolidating links which have been developing over the past decade.

Under a new trade protocol signed in Tirana last week, the two countries will increase their trade exchanges further. The protocol was signed by Mr. George Panayotopoulos, the Greek Minister of Commerce who headed a Greek delegation to the Albanian capital, and Mr. Nedin Hoxha, the Albanian Foreign Trade Minister.

Tiny, isolated and xenophobic Albania, which for 16 years counted only on China as a friend and ally, has been the only Balkan country to shun an initiative by Mr. Constantine Karamanlis, the Greek Prime Minister, for multilateral co-operation in the peninsula. It refused to attend the first Balkan conference in Athens in 1976 during which Turkey, Yugoslavia, Romania and Greece agreed on the need for closer technical and economic co-operation. Bulgaria, which at first said it preferred bilateral co-operation, had a sudden policy switch in 1979.

Yet over the past two years, Albania has made a number of overtures to Greece, a NATO member soon to become the tenth member of the EEC. As one Greek official sees it, Albania's estrangement from China appears to have influenced both internal and external developments and resulted in the window being opened to its neighbours, Greece and Yugoslavia. "But one must tread very cautiously not to offend their sensitivity and xenophobia if that window is to remain open and perhaps become a door," this official commented.

Greece and Albania resumed semi official contracts in the late 1960s after years of estrangement following the Second World War. They shelved their border differences and resumed diplomatic relations in May 1971. The first post-war commercial agreement was signed in 1972 and trade exchanges, through clearing agreements, have increased from £8m in 1973 to an expected $30m this year.

As a further link between the two countries, Olymipc Airways, the state-owned Greek national air carrier, inaugurated a once-weekly flight in March 1978 to Tirana via Ioannina, on the Epirus Coast.

Greek singing and dancing groups have performed in Tirana several times in the last two years. Journalists, however, have not been able to obtain visas to visit Albania.

Airbus hopes for big TWA order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A BATTLE is in progress between Europe's Airbus Industrie and Boeing of the U.S. for a major order from Trans World Airlines of the U.S., which is planning to replace its substantial but ageing fleet of 78 Boeing 707 jet airliners.

The initial TWA purchase could be as many as 20 wide-bodied jets, with a further substantial number on option.

Airbus Industrie is offering its 250-plus seat A-300 and its smaller 200-seat A-310, while Boeing is offering its "semi-wide-bodied" 767 twin-engined aircraft.

Negotiations have been going on for some months, and TWA is believed to be close to a decision. Unconfirmed reports have suggested that the decision may be taken by the airline at a board meeting on December 4.

If TWA decides in favour of the Airbus, it will be the second big breakthrough for the European jet in the U.S. market, following the order from Eastern Airlines some time ago for 23 Airbuses with nine more on option.

Rolls-Royce is also very interested in the TWA order. The engine company has been actively seeking to instal its RB-211 engine in the Boeing 767 (a smaller version of the engine, the Dash 535 is installed on the smaller Boeing 757 narrow-bodied airliner).

TWA already has substantial experience with the RB-211, through its fleet of 22 Lockheed TriStar jets. A TWA decision to fit the RB-211 into any 767s it might buy would be a breakthrough for Rolls-Royce.

At this stage, however, it is understood that even if TWA were to choose the 767, it would not necessarily commit itself to a specific engine for some time, preferring to conduct further negotiations between the three competing engine manufacturers — Rolls-Royce, General Electric and Pratt and Whitney.

U.S. plans to take 25% of world LNG trade by 1985

BY A SPECIAL CORRESPONDENT

BASED ON firm projects, the U.S. share of world LNG trade will grow to about 25 per cent in 1985, and pending contracts could raise this to more than 40 per cent, according to Mr. Nelson E. Hay, director of policy and economic analysis at the American Gas Association.

However, U.S. LNG policy continued to be a major uncertainty for the world LNG trade, Mr. Hay told an international gas technology conference at Houston yesterday.

Three full-scale LNG import projects and one smaller one had gained approval. These could produce 0.9 trillion (million million) cu ft a year. Further projects which would produce about 2 trillion cu ft per year have been filed with the U.S. Department of Energy, and an extra 3 trillion cu ft have been proposed.

Mr. Hay said the Carter Administration's energy mobilisation Board had promised that LNG projects could be relieved of som eof the years of regulatory delay, which had been the pattern up to date. However, U.S. policy-makers still needed convincing of LNG's advantages.

Mr. M. H. Hashim, representing the Malaysia LNG company, indicated that delays could not be ruled out in his country's planned 6m tonnes per year LNG plant and terminal at Bintulu, Sarawak, planned to be on stream in January, 1983.

Mexico credit line guaranteed

THE Export Credits Guarantee Department has guaranteed the repayment and funding of a $10m (£4.7m) line of credit which N. M. Rothschild and Sons has made available to Banco Nacional de Comercio Exterior SA of Mexico.

The loan will help finance UK capital goods and services contracts plaiced in the UK by Mexican buyers. UK exporters will receive 85 per cent of the contract price from the loan; the rmeaining 15 per cent is payable from the buyers' own resources.

Disputes trim profits for transport docks

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE BRITISH Transport Docks Board will report disappointingly low profits for the first time in nearly a decade this year in spite of a 4 per cent increase in cargo traffic, Sir Humphrey Browne, board chairman, said yesterday.

Sir Humphrey said that the group's operating surplus would be between £2m and £3m lower than last year's £29.7m, despite a 13 per cent increase in revenue.

He blamed the lorry drivers' strike and other pay disputes for serious losses in revenue early in the year.

Sir Humphrey also spoke of difficulties raised by the subsidisation of some ports, in particular London and Bristol. "We do not want subsidies and have never asked for them," he said, but admitted that subsidies at other ports were preventing the growth of the board, which controls about a quarter of the country's port activity.

In 1979, the board's revenue is likely to increase by about 13 per cent to £135m. The growth in cargo tonnage, which is considerably higher than in the previous year, is mainly due to higher imports of bulk raw materials. Sir Humphrey noted that the movement of manufactured exports had been "disappointing."

The number of freight units moving through the roll-on/roll-off facilities rose by about 30,000 to 750,000, and the number of new vehicles, both imported and exported, by about a third in 1979.

Port charges rose by about 10 per cent at the start of the current year and would probably rise by 15 per cent next year, Sir Humphrey said.

The board is still some way off meeting its 20 per cent target return on assets, agreed with the Government for 1980. However Sir Humphrey stressed that the board is not only meeting all its own capital requirements, but is at the same time generating cash in the form of corporation tax and early repayment of loans, cash which would otherwise have to be found by the taxpayer.

THE CENTENARY OF THE DINING CAR

Rail-meal menus trimmed to the 1980s

BY ALAN FORREST

IT SEEMS a long-time since Lord Olivier won his battle to keep the custom-cooked kipper on board the Brighton Belle Pullman. Gone is the Brighton Belle, gone are the old-style Pullmans, and British Rail catering has changed dramatically in the ten or so years between.

The kipper still survives, though—as an alternative to the heaped plate of bacon, egg, mushrooms, sausages, tomatoes and sauté potatoes served with BR's Great British Breakfast—its dining car best-seller. Out of 2m meals served on trains every year, 900,000 are breakfasts—a bargain, BR claims, at £3.35.

This year is the centenary of train catering. The first meal served on a train in 1879 cost half-a-crown (12½p)—for pea soup, whiting au gratin, roast mutton, cheese and salad. Today's Gold Star dinner costs £6.50 for four courses, and, allowing for inflation, claims Mr. Roger Temple, BR's Inter-City catering chief, is marginally cheaper than in 1879.

As the centenary year draws to a close, BR caterers have announced their plans for stream-lining railway meals to fit the trains of the 1980s. The service will continue as a loss-leader and buffet cars will develop at the cost of some restaurant cars as journey times shrink with the introduction of more high-speed trains.

BR's new plans are intended to attract the business traveller. The three lines to lose their catering service — Clacton, Ramsgate (via Chatham) and Hastings, are short hauls.

They also happen to be lines used regularly by London commuters, for whom the outlook is bleak. The young executive seeking a large Scotch to wash away the memory of that unfortunate encounter with the chairman may soon have to wait until he arrives at his cocktail cabinet.

Mr. Temple emphasised, though, that rail catering will grow into the 1980s. "Any idea that there is a Beeching-type plan to slash rail catering is completely wrong. We regard it as an integral part of the passenger service."

The programme means that restaurant cars will tend to disappear on journeys of middle duration—these will be serviced by better buffet cars serving hot food as well as the usual sandwiches and drinks. More and more buffet cars now offer the bacon and eggs type of grill and their number will increase.

The full-meal restaurant car may vanish completely from weekend trains, as the businessman—prime customer for the four courses—does not travel then. But full restaurant service will continue on longer journeys, and BR's aim is to keep the price below the cost of the table d'hote in a good hotel.

Travellers' Fare, the subsidiary of British Transport Hotels, which manages train and station catering, has other plans. Quicker journeys are expected to boost on-station catering, and already plans for the development of fast-food outlets and extension of wine and spirit shops are going ahead. Changes at Waterloo, scheduled for next year, include an "up-market hamburger" restaurant.

BR employs 2,000 people in on-train catering—an increase of a hundred in the last couple of years. It insists they are experts in their field—"how would you like to cook and serve a four-course dinner for 100 people from what amounts to a council house kitchen," Mr. Temple asks.

But old-established rail travellers will still wail about the loss of personal service as catering becomes more and more "streamlined." A recent conversation between two business travellers went like this:

"I can't stand that awful marmalade in the little plastic jars."

"Ah, but if you call the fellow over and whisper, 'I want the Cooper's,' you'll get splendid service for the whole journey."

Such people have never ever seen a council house kitchen and BR must continue to cater for them.

Computers will 'cut shop staff'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE INTRODUCTION of electronic checkouts in supermarkets over the next few years will inevitably lead to staff reductions, a leading retailer forecast yesterday.

Mr. Donald Harris, Tesco's director in charge of computers and administration, told a stockbrokers' seminar organised by Kemp-Gee and Co., that retailers would have to plan to achieve a reduction i staff by natural wastage.

But it is unthinkable that there would be any redundancies. Any reduction would be possible to forecast and must be taken into consideration in the planning and implementation of new equipment." He suggested that although the relatively high turnover of staff in retailing would ease the transition, "staff and career planning will become vital if benefits are to accrue."

Mr. Harris said Tesco had been discussing the potential problems of the new technology with its staff and main trade unions for the past two years. It was "working towards a mutually beneficial solution."

Tesco is understood to be planning capital investment of up to £90m over the next decade in the introduction of the computerised electronic checkouts. The main development will be the use of laser-scanners to speed up service and provide detailed management information.

The checkout lasers will "read" a special bar-code printed on each item which automatically gives the price and a description of the product. Key Markets recently became the first supermarket chain to introduce these into the UK, although Tesco and others plan to launch their trial systems early next year.

Mr. Harris pointed out yesterday that although laser-scanning would speed up the checkout service, some retailers might choose to maintain the level of service but to reduce instead the number of checkouts.

But the overall impact of new electronic technology would be greater than the effect of high inflation and the intense High Street competition of the past few years, he concluded.

Wholesale textile sales show improvement

BY JAMES McDONALD

INCREASED SALES were recorded by nine of the 12 sections in the wholesale textile trade in September compared with a year earlier, according to the Textile Distributors' Association.

Sales of women's knitted outerwear, blouses and skirts were up 13.9 per cent over the year, as were women's coats, costumes, furs and raincoats. Women's underwear increased 9.7 per cent and women's hose and children's socks 28 per cent. Only haberdashery, ribbons and wool, children's wear, and piece-goods and nets showed declines.

Forces up, but still under strength

THE INTAKE of recruits into the armed services during the quarter to end-September this year continued to improve compared with the same period of last year, according to Ministry of Defence figures.

Total recruitment in the quarter, at 16,600, was 14.5 per cent higher than in July-September 1978. The total for the first half of the financial year was 14 per cent higher.

But the Ministry says: "Even if these higher levels can be sustained, the numbers recruited by the end of the current financial year will still fall short of requirements."

Exits from the services during the quarter were nearly 7 per cent lower than in the same quarter of 1978. This was a smaller reduction than in the April-June quarter, when the drop in exits by premature voluntary release was more marked.

Recruitment in the July-September period, which included the main seasonal intake of junior servicemen, exceeded outflow by over 5,000. The comparable figure in the same quarter of 1978 was 2,100.

The total strength of the armed forces at end-September, about 319,000, was about 700 lower than at end-September 1978. But it was about 4,000 greater than at the end of this March.

Industrial problems 'solved in Wales'

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

WALES has the answers to the problems of industrial overcrowding and shortage of labour, according to Mr. Douglas Badham, chairman of the Development Corporation of Wales.

He told a seminar in London that Wales had land for companies which wanted to expand, a plentiful supply of labour, good communications with the rest of Britain and pleasant living conditions.

It was the fifth and final presentation held by the corporation in London this year. The others had been aimed at American, Japanese European and UK companies.

"More than 170 companies have set up manufacturing operations in Wales—over 100 of them American. That proves we can meet the very high standards they demand," he said.

"Wales is a changing country, coming to terms with the changing structure of industry. The country is improving as an industrial base all the time and the development corporation intends that this improvement should continue."

Among the attractions of Wales was its designation as an assisted area qualifying for a wide range of grants.

"The Welsh Office always tried to put together the best possible package of financial assistance tailor-made to a company's needs," Mr. Badham said. He emphasised that these incentives were available to service as well as manufacturing companies.

The corporation had geared its invitations yesterday to British companies thinking of moving from their present bases.

One large concern is investigating a site which would employ several hundred people. Another, a textile company employing 25, needs to leave North London because of insufficient labour.

It is considering a move to Yokshire but attended the seminar to see whether Wales could offer better premises more quickly.

ITV programmes more popular—ITV

BY ARTHUR SANDLES

MOST TELEVISION viewers prefer programmes shown by the commercial companies, according to a survey by the Independent Broadcasting Authority.

Only in London did a majority of viewers name BBC 1 as their favourite station. Viewers voted the commercial companies—which are about to fight for the retention of their franchises—best for films, serials, local news and quizzes. But they felt the BBC had the edge in national news, sport, documentaries and variety shows.

BBC was felt to produce better music programmes—classical and pop—but followers of local events, including sport, thought their local television stations better than the BBC alternatives.

When IBA researchers asked viewers to name their local television company, 95 per cent in Grampian's area were right first time. But in London, only 44 per cent knew that Thames Television was the weekday channel, and only 25 per cent named London Weekend as a local station.

London viewers tended to talk of ITV instead of using the correct station names. The problem was similar in the Midlands, where only 54 per cent of viewers named ATV as the local station.

Forty seven per cent in the South West (Westward Television) could name a local announcer. Only 4 per cent could do so in Lancashire (Granadaland), 4 per cent in Northern Ireland (Ulster) and 5 per cent in London at the weekend (LWT).

Most viewers thought the local television stations were more "friendly" than BBC.

However, viewers tended to have a low opinion of the professionalism of commercial stations. The London stations and Yorkshire were the only ones to show modest esteem in this field.

The report, which was prepared for the IBA by the British Market Research Bureau, said: "It may be that to some extent 'professionalism' and 'friendliness' are seen as mutually exclusive."

The report ranked commercial companies in ratings according to viewer comparison with the BBC. All companies beat the BBC channels easily. Most highly regarded was Yorkshire. Least regarded was HTV, serving Wales and the West.

As far as general satisfaction with performance of commercial stations was concerned, the report said: "The highest proportion of viewers who said they were very satisfied was found in Northern Ireland (49 per cent) and the lowest in Central Scotland (18 per cent). Even in the latter region, however, only 11 per cent actually expressed dissatisfaction. These results may well, to some extent, reflect the personality of the audience rather than the performance of the local company."

The report said that people were most satisfied with local news coverage, and most dissatisfied with advertising and bad presentation.

UK NEWS

Sterling M3 rose by £1bn last month

BY DAVID MARSH

STERLING M3, the broadly defined money supply, rose by £1.080bn on a seasonally adjusted basis in the month to mid-October, up by 2.0 per cent on September.

This took the rise in the four months since the start of the Government's target period in mid-June to 4.5 per cent, or 14.25 per cent at an annual rate, compared with the official range of *7 to 11 per cent.*

The narrowly defined money supply M1 rose by a seasonally adjusted £940m, or 3.4 per cent, during the month.

Most of the M1 rise was accounted for by a sharp rise of £570m in interest-bearing sight deposits. The non-interest bearing portion grew by £370m.

Domestic credit expanded by £1,566m after seasonal adjustment. The main component was an exceptionally large rise of £1,237m in bank lending in sterling to the private sector. In addition, bank acceptances held outside the banking *sector* grew by £170m.

High credit demand in the month to mid-October followed a very small rise the previous month of £330m including acceptances. Special factors affecting September operated in the reverse direction in October.

The public sector contribution to domestic credit expansion amounted to £360m. The central Government borrowing was large at £940m, most of which represented funds borrowed for on-lending to the rest of the public sector.

Central Government borrowing was, however, offset by net *repayments of market borrowing* by local authorities and public corporations, which amounted to £620m.

Transactions in public sector debt helped boost credit expansion during the month. Holdings *of gilt-edged* stock by the non-bank private sector fell by £250m largely as a result of redemptions and official buying. There were however, modest net purchases of other forms of central Government debt.

External and foreign currency finance continued to have an important contractionary effect on money supply, withdrawing a total of £400m. Foreign currency lending to, and deposits of, overseas residents increased by a large amount. This was partly a result of increased holdings by oil exporting countries owing *to the oil price rise in June* and the subsequent reduction in the credit period for oil purchases from 60 to 30 days.

GROWTH OF MONETARY AGGREGATES (£m)

	Money Stock M1 Unadjusted	Money Stock M1 Seasonally adjusted	%	Money Stock M3 Sterling Unadjusted	Money Stock M3 Sterling Seasonally adjusted	%	Bank lending* Unadjusted	Bank lending* Seasonally adjusted	Domestic credit expansion Un-adjusted	Domestic credit expansion Seasonally adjusted
1978										
Sept. 20	137	249	1.0	478	460	1.0	11	16	549	651
Oct. 18	478	235	1.0	535	334	0.7	415	397	586	463
Nov. 15	40	44	0.2	254	306	0.6	268	442	149	251
Dec. 13	989	585	2.3	950	710	1.5	5	474	1,241	1,059
1979										
Jan. 17	−548	213	0.8	332	996	2.0	1,216	483	345	795
Feb. 21	−221	195	0.8	−33	507	1.0	1,125	1,129	378	1,048
Mar. 21	304	35	0.1	−344	−443	−0.9	426	729	−386	−319
Apr. 18	1,515	785	3.0	1,608	721	1.4	543	535	1,760	823
May 16	−186	39	0.1	420	729	1.4	618	819	507	997
June 20	−404	−213	−0.8	609	601	1.2	1,096	1,026	1,139	885
July 18	772	642	2.4	778	427	0.8	1,128	381	988	439
Aug. 15	−13	−5	—	281	549	1.0	143	698	814	1,052
Sept. 19	34	118	0.4	317	334	0.6	108	160	735	923
Oct. 17	1,119	936	3.4	1,226	1,080	2.0	1,365	1,237	1,796	,566

* To private sector in sterling including Bank of England Issue Department holdings of commercial bills

Source: Bank of England

Farmers call for price increases

BY CHRISTOPHER PARKES

THE NATIONAL Farmers' Union has appealed to the Prime Minister and Cabinet members to raise farm prices and increase agricultural subsidies.

Mr. Richard Butler, president of the NFU, said yesterday farm incomes had fallen 15-20 per cent in real terms this year.

Following an 11 per cent reduction in earnings last year, this fall was pushing agricuture into a decline which could prove irreversible, he said.

On instructions from the NFU council which met yesterday, Mr. Butler has asked for an immediate devaluation of the green pound, a "significant" increase in the price farmers get for milk, and extra allowances for *hill farmers.*

The green pound *is* the fixed exchange rate at which Common Market guaranteed farm prices are translated into sterling. At present it is 12 per cent overvalued in relation to the pound proper.

Two 5 per cent devaluations so far this year have had little impact on the failing fortunes of farmers.

Mr. Butler pointed out that in the past week alone farmers' costs increased about 3 per cent because of the 21 per cent pay rise awarded to farm workers and the increase in the minimum lending rate.

He estimated that over a full year the pay rise would cost the industry £120m. Extra interest charges would add a further £75m.

The NFU council warned in a resolution that without rapid action "there will be a further rundown in livestock numbers, a significant decline in production and productivity, loss of jobs in agriculture, and a greater dependence on high-cost imports."

The union said if prices remain unchanged dairy farmers incomes would fall more than 20 per cent. Milk production had been falling for months and dairy cows were being slaughtered at a greater rate than for five years.

Mr. Peter Walker, Minister of Agriculture, *has* been pressing the Cabinet for some time to allow him to seek a green pound devaluation at the EEC Council of Ministers.

If he wins Cabinet approval after the NFU's initiative he will still have the difficult task of persuading his European colleagues to approve a devaluation of the green pound. With the economic squeeze hitting all European farmers, there may be some resistance to helping only one country out of nine, although there may be scope for devaluing some of the other green currencies.

Mr. Butler also warned that he *would ask for further assistance* in addition to his present appeal. Funds were needed to restructure British apple orchards and improve pork and bacon factories.

He saw no reason why national subsidies should not be paid. "There is no Community country *which does not* in some way or another support agriculture."

While he approved the Government's ideas on allowing industries to run their own affairs, it could not avoid its responsibility to provide farming with the "broad economic field" in which it could prosper.

Auditors face big bill from exchange

BY CHRISTINE MOIR

THE STOCK Exchange has presented Keens Shay Keens, a Luton-based firm of auditors, with a bill for about £925,000 as a result of the collapse five years ago of stockbrokers Chapman and Rowe.

Chapman and Rowe was "hammered" on the Stock Exchange in April 1974 when a financial examination of its affairs by the Stock Exchange Council revealed a financial deficiency of nearly £2m. Two directors were found guilty of conspiracy to defraud clients and given suspended prison sentences. Keens Shay Keens were the stockbroking firm's auditors at the time.

The Stock Exchange made good all losses suffered by clients of Chapman and Rowe by payments through its Compensation Fund but at the same time issued a holding write against Keens. The Stock Exchange *holds* the firm to blame for not bringing Chapman and Rowe's *financial insecurity* to the council's attention in time to prevent collapse.

Now that the affairs of the *stockbroking firm have been* nearly wound-up and the picture of payments and recoveries is fairly clear, the Stock Exchange has served a statement of claim for reimbursement of the net payments from the Compensation Fund. *These* are likely to be of the order of £925,000.

The claim was issued some weeks ago and Keens has instructed solicitors Hewitt Woollacott and Chown to prepare a defence.

The Compensation Fund of the Stock Exchange was set up to compensate investors for any provable default by members. At the end of September, half way through the Stock Exchange's *financial* year, the fund stood at £1.4m, slightly up on the comparable period. Payments from the fund during the six months amounted to £13,000 compared with £201,000 a year earlier, and £208,000 for all of last year.

CBI approves test plan for strike insurance fund

BY JOHN MOORE

THE CONFEDERATION of British Industry has given the go-ahead *to* five Lloyd's of London insurance brokers to test-market its planned strike insurance fund among selected companies.

Each broker is to approach selected companies, for whom it already provides insurance services. Between 20 and 30 companies are to be approached.

The brokers are Gault Armstrong and Kemble, C. T. Bowring, Willis Faber and Dumas, Sedgwick Forbes Bland Payne and Hogg Robinson Group.

The move follows the CBI's provisional approval of the strike scheme earlier this month. Representatives from *the brokers were at meetings* yesterday with the CBI.

Test marketing is required so CBI leaders and the brokers can assess the size of premium which companies would be prepared, or need, to pay for various types of cover. The scheme could be in operation by next summer.

The intention is to achieve as wide a spread of risk as possible, embracing companies of different types and sizes. The sample of companies used in the test marketing is likely to represent a wide range of industries.

The scheme, covering employers against the effects of strikes, is likely to be a mutual fund. Commercial reinsurance for the fund is not likely to be arranged for several years, until reinsurers can assess its results.

Threat to 1,750 jobs at tufted carpet plant

BY CHRISTINE MOIR

ASSOCIATED WEAVERS, the tufted carpet maker, bought by Champion International of *the* U.S. for £40m in 1973, is to cut carpet production.

The company said yesterday that "Further to Champion's stated intention to withdraw from the carpet business," talks were going on with the staff unions in Bradford over further cuts. A fuller announcement will be made at the end *of the month.*

About 1,750 jobs are believed to be in jeopardy, the entire workforce at Associated's main tufted carpet plant.

Alternative plans are still being studied by the unions, but it looks as if the outcome could be a gradual run-down in the order books.

Just two months ago Mr. Michael Abrahams, chief executive of Associated and also president of the British Carpet Manufacturers' Association, expressed the industry's concern at the penetration achieved by imported carpets in the UK market. This is likely to exceed 16 per cent of the market this year.

Retailers have been encouraging bulk imports of cheap U.S. tufted, manmade fibre carpets. The U.S. manufacturers, Mr. Abrahams said, have access to cheap oil feedstock and the advantage of very long production runs.

Associated has been in the forefront of the tufted sector of the carpet industry since the turn of the decade, when it invested heavily in high technology tufting and printing machinery. As a result it took a large part of the UK market for this type of carpet. It still has a market share of about 12 per cent.

At the height of its boom, the company was bought by Champion International, a U.S. timber products group which wanted to idversify in an effort to protect itself against the cyclical nature of forest product markets. Champion paid £40m for Associated, of which 75 per *cent was for goodwill.*

By 1976, however, Associated was losing £8.4m pre-tax. Since then the entire British carpet industry has undergone a severe recession, largely as a result of over-capacity and import penetration which has led to savage price cutting by retailers.

Throughout alst year Associated fought its problems by selling subsidiaries. It sold its PVC subsidiary, Armoride, to Bernard Wardle for £2.6m, its fabrics division to Cope Sportswear for £1.7m and Regina Fabrics to a private buyer for a slightly smaller sum.

Pension funds 'could over-rule Stein'

BY JAMES BARTHOLOMEW

Stein, chairman of Ladbroke, on the group's new casino subsidiary could easily be squashed by a couple of opposing institutional investors, Knightsbridge Crown Court was told yesterday.

Mr. Philip Chappell, vice-chairman of Morgan Grenfell, the merchant bank, said that Mr. Stein, his wife, children and trusts held a total of 4.6 per cent in Ladbroke Group.

This will give them voting strength of 4.6 per cent in City and Provincial Gaming Holdings, the new independent subsidiary of Ladbroke which now runs the casinos.

Mr. Brian Leary, QC, for Playboy Club, suggested that this shareholding would give Mr. Stein some influence over its affairs, especially where general meetings were badly attended.

Mr. Chappell replied that notice *would have to be given* of resolutions, and if they contained anything unusual the investing institutions would be alerted. They would have overwhelming voting power together, he said.

As for the 4.6 per cent of shares with which Mr. Stein was connected, Mr. Chappell could, if necessary, rapidly get the OtsoPecffi ...tB the Post Office and ICI pension funds to vote against him.

Mr. Michael Kempster, for the police, said that the shareholding interests of Mr. Stein and Mr. Macadie, an associate of many years' standing, and those connected with them amounted to just under 10 per cent.

The court is hearing the eighth day of Ladbroke's appeal against the refusal of South Westminster Magistrates to renew four London casino licences. The grounds were that the relevant subsidiaries were "not fit and proper persons to be holders of gaming licences."

Mr. Chappell said yesterday that these two subsidiaries were now under *the control of City* and Provincial Gaming Holdings. Although all the shares in that company were held by Ladbroke, the new company was "financially and operationally independent."

Consumer spending falls 3.9%

By David Marsh

CONSUMER spending fell 3.9 per cent between the second and third quarters this year, a slightly greater drop than first estimated, according to revised figures from the Central Statistical Office.

Spending in July to September came to a seasonally adjusted £17.087bn. At 1975 prices, a downward revision of £85m from the first estimate issued last month.

Spending rose in the second quarter, before the expected value added tax rise in the June budget, and fell during the three months to September. This included spending on alcoholic drink, particularly spirits, and all retail items except food, which increased slightly.

Spending on motor vehicles also fell from the second quarter.

Clothing and footwear spending fell 5 per cent, while that on durable household goods fell 17.6 per cent from the inflated second quarter figure.

Although yesterday's rise in minimum lending rate, will dampen hire purchase spending, retailers will be hoping for an increase in sales during the *last* quarter after the release of some £1bn of tax rebates in October.

Swiss buyer for Edenlite

EDENLITE, the Swindon greenhouse company, has been bought by a Swiss group. A few details remain to be settled.

Edenlite called in a receiver to take over the business a fortnight ago. The new owners are Alusuisse UK, part of a Swiss international aluminium group.

Post Office confirms plan for new boards

BY CHRISTIAN TYLER, LABOUR EDITOR

THE POST OFFICE yesterday confirmed that it plans to create two new management boards, probably at the end of the year, to run the post and telecommunications businesses as separate enterprises, in advance of legislation.

The plan was revealed yesterday by Mr. Tom Jackson, general secretary of the Union of Post Office Workers. He said he was angry at the move, which he sees as part of an attempt to kill off the one-year worker-director experiment in the Post Office.

Although parliamentary approval for hiving off the telecommunications business from the Post Office is many months away, the Post Office does not believe it is in any danger of infringing its present statutory obligations under the 1969 Post Office Act and later amendments.

The main board would be kept in being—possibly as a kind of supervisory board along West German lines—while the day-to-day running of the businesses was done by the new boards.

But the Post Office would give no details of the chairman's reorganisation plans yesterday. There are no rules about how often the 19-man board should meet, and the plan appears to be to convene it from time to time to fulfil its statutory function.

At present there are three so-called "management committees" headed by managing directors responsible for posts, telecommunications and the Giro.

Judgment reserved on Revlon shampoo appeal

AFTER eight days of legal argument, the Appeal Court yesterday reserved judgment in the battle by Revlon, the international cosmetics group, to stop the "parallel selling" in England of Revlon trade-marked goods made for the U.S. market.

Mr. Justice Dillon ruled in the Chancery Division that four companies in the Revlon group were not entitled to a pre-trial injunction stopping importers and wholesalers selling in England an anti-dandruff shampoo, "Revlon Flex," made for the U.S. market.

Revlon Inc., the American parent, Revlon Suisse S.A., owners of the "Revlon Flex" trade mark in the UK, Revlon Overseas Corporation, the UK manufacturers, and Revlon International Corporation, who market Revlon products outside the U.S. have started actions alleging "passing off" and infringement of trademark.

Pending trial, they had unsuccessfully sought to stomp importers Cripps and Lee Limited and Express Wholesale Supplies, from dealing in the anti-dandruff "Revlon Flex" made only for the U.S. market, but which had not been a commercial success there.

The Appeal Court judgment is expected before the end of the legal term on December 21.

Retail stocks level rises by 19%

THE LEVEL of retail stocks in September was about 19 per cent higher than a year ago, said Government figures yesterday.

The statistics, published in *Trade and Industry,* show that retail stocks in September were valued at £6.389bn, compared with £5.368bn in September last year.

The increase in value, based on constant 1975 prices, was 9 per cent.

The 1.5 per cent fall in retail sales for September meant that the ratio of stocks to sales rose further to a historically high level.

Rose walk for Queen Mother

WORK IS to begin today on a public rose walk in St. James's Park to celebrate the Queen Mother's 80th birthday next August.

It is hoped that the cost of the work will be raised by public contributions to the National Gardens Scheme, of which Queen Mother is a keen supporter. It is planned that the rose walk will be in full bloom for the Queen Mother's birthday on August 4, 1980.

Czarist snuffbox tops high Faberge prices

SALEROOM

BY ANTONY THORNCROFT

SOTHEBY'S continued its week of Zurich sales with some high prices for works by Fabergé. A jewelled two-colour gold and enamel Imperial presentation snuffbox with a miniature of Nicholas II sold for 50,000 and a two-colour gold and enamel necessaire of 1912 for £24,285.

In its London sales, at Bond Street, a *pewter* Bernese spouted wine flagon of about 1741 sold for £2,000, as did a Charles II "wriggle work dish" (bought by the Museum of London); at Belgravia a Copeland commemorative tyg, marking the end of the Boer War, for £480; and at Chancery Lane illustrations for the Bible by Marc Chagall sold for £1,050.

Christie's sold Old Masters in New York on Wednesday for £290,157 with a top price of £11,961 for The Conversion of St. Paul by Filippo Lauri. A portrait of Anne of Austria by the School of Rubens made £10,526, and the London dealer Van Haefton acquired a picture of peasants, from the School of David Teniers the Younger, for £9,569. In London, in an auction of English furniture, Christie's sold a George III mahogany breakfront bookcase for £5,500 and an early Georgian walnut bureau made £3,400.

At Phillips a bow which belonged to the Spanish violinist Antonio Brosa sold for £3,800. It was made by Dominique Pecatte around 1860. A complete run of Autocourse from the 1950s to the 1970s realised £2,800 at Phillips 2. A 1935 Rolls-Royce sold for £8,000.

Fisons attacks Swiss drug claims

BY SUE CAMERON, CHEMICALS CORRESPONDENT

SANDOZ, the Swiss-based pharmaceuticals groups, has come under sharp attack for the "lurid" way it has been advertising Zaditen, its latest asthma treatment. Some claims made for the drug are also being questioned.

Fisons, the UK-based chemicals and pharmaceuticals group, has lodged an official complaint against Sandoz with the Association of the British Pharmaceutical Industry. It claims the advertising and promotion of the drug breaches the association's code of practice.

Fisons manufacture another treatment for asthma called Intal. Intal, which accounts for over 80 per cent of Fisons' pharmaceutical division's profits, has to be inhaled. Zaditen—the Sandoz brand name for ketotifen—can be taken orally.

The Fisons' complaint is that some of Sandoz's claims for Zaditen are exaggerated, and some information given about the treatment is misleading. The group, whose pharmaceutical division accounts for almost 50 per cent of its total profits, is also understood to be alleging some Sandoz post-marketing practices may be unethical.

Another attack on Sandoz has been made by Dr. Graham Crompton, consultant respiratory physician at the Northern General Hospital in Edinburgh, where there is a unit specialising in asthma. Dr. Crompton has written to the British Medical Journal saying the "clinical trial data in support of the claim for ketotifen's clinical value are scanty."

In the letter, Dr. Crompton also claims "lurid double-page advertisements now appearing in most medical journals quote only one controlled trial and the other claims are based on undisclosed data on file." He goes on to criticise Sandoz for the way it encourages doctors to undertake post-marketing trials *of the drug.*

He says doctors "are being offered £15 for each patient for whom a history card and three-month follow-up form are completed and £5 for three-monthly follow-up information at 6, 9 and 12 months."

Dr. Crompton additionally alleges that claims that ketotifen is a "new kind of treatment" are unwarranted. Ketotifen is an "antihistamine-like drug" and this group of drugs is already known.

"Most respiratory physicians would agree that there is not, as yet, convincing evidence of either the efficacy or the safety of ketotifen and that the premature publicity given to this drug could have unpredictable and possibly serious consequences," the letter says.

Yesterday Dr. Crompton said independent trials on ketotifen carried out under the aegis of the British Thoracic Association suggested the drug had produced *side effects*—drowsiness—in 15 per cent of the patients tested. These were short-term side effects. No one knew what the longer term side effects might be.

He said the kind of post-marketing trials Sandoz was encouraging doctors to carry out could give a "*totally false* impression" of the effects of the drug. This was because the doctors were only paid for information on patients who took the drug for the full three, six or nine month period.

Patients who were taken off the drug at an early stage—or who stopped taking it of their own volition because of the side effects—might therefore not be included in the final statistics.

The ABPI on Wednesday confirmed Fisons had made a formal complaint against Sandoz. The association's code of practice, which covers such things as advertising and clinical trials, is a rigorous one.

Sandoz said *yesterday it* felt "very strongly" it had acted "correctly and ethically." It said the ABPI was fully competent to decide on the issues raised and added the company was "confident of the outcome."

Sandoz said it was "simply untrue" to claim the clinical trial data in support of Zaditen was scanty, as Dr. Crompton had suggested. Zaditen had now been introduced in Switzerland, Germany, Holland and Ireland and had also been approved by the licensing authorities in France and Belgium.

UK trials demonstrating the safety and efficacy of Zaditen *had been* considered by the Committee on the Safety of Medicines before a product licence had been issued in Britain.

All doctors were warned that Zaditen might cause drowsiness in some patients during the early stages of treatment but *this usually disappeared* "spontaneously" after a few days.

The post-marketing surveillance of Zaditen had been carried out in the same way as the post-marketing schemes of other pharmaceutical companies. The payment of doctors for the extra work they did on new medicines was "accepted practice."

Massey seeks buyer for threatened plant

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MASSEY FERGUSON, the Canadian agricultural machinery group, has set up a new UK company to find work for the Kilmarnock combine harvester plant, which is to be closed in February with the loss of 1,500 jobs.

Mr. Harry Hebden, managing director of Massey Ferguson UK, who will be the chairman of the as yet unnamed company, said it would look for an employer or a group of employers to take over all or part of the plant.

If necessary, it will also participate in the joint ventures, contributing the machine tools, presses and other fixed assets at Kilmarnock as its part of the business. Possible partnerships could be with Government, putting in most of the working capital, and a third party.

Industrial consultants Inbucon have been retained to search for companies who might be interested in establishing a U.K. manufacturing base, and to look locally in the West of Scotland for sub-contract work which might provide a foundation for new small businesses.

Mr. Hebden said Massey Ferguson would continue to supply a base load of sub-contract work from its other UK factories. At present, this employs about 130 people at Kilmarnock, but it could be increased.

Opportunities for outside work had already been identified in a number of areas, such as vehicle manufacture, where major Scottish companies still have to send to the Midlands for many bought-in components.

Campaign

In its overseas search, Inbucon is approaching 475 U.S. corporations, 229 in Germany, Japanese banks and trading houses, investment organisations, governments and trades offices. An advertising campaign will be mounted in Britain, Europe, the U.S. and Japan.

Massey has assured trade unions that it will consider anyone who can supply work, even a direct competitor.

The company counts as its biggest asset the good production record at Kilmarnock and the full co-operation of workforce and trade unions in the changeover.

Combine manufacture is being centralised in the Marquette factory in Northern France, which is larger with lower overheads.

But Kilmarnock has exceeded its production targets in the last two years and reduced extra costs through work in progress to the lowest of any factory in the group. Given a larger demand for its products it would undoubtedly be profitable.

Mr. Sam Kay, union convener, said shop stewards recognised the reality of the position they face and saw as their top priority the saving of the 1,500 jobs in the plant.

"Life does not stop because the combine is going away or because Massey Ferguson is in trouble. There is nothing to stop us going out into the world and seeking employment and employers," he said.

Research into new motor

BY ELAINE WILLIAMS

RESEARCH CONTRACTS worth £250,000 have been placed by Chloride Technical, part of the Chloride Group, with two UK universities, for the development of a new type of electric vehicle motor.

The electrical engineering departments of Nottingham and Leeds Universities will produce a new motor and control system for use in high performance delivery vehicles. Each contract is for two years.

The Department of Industry is funding the work jointly with Chloride. Extensive trials of the new system will take place at Chloride's electric vehicle research centre.

The two universities have already developed a 12.5 kw motor, which will form the heart of the new system. They aim to produce a motor four times as powerful, for use in the next generation of electric goods vehicles being developed by Chloride and Chrysler (UK).

Forecast of 2m jobless by 1982

BY DAVID MARSH

THE TRUE level of unemployment is likely to rise to more than 2m over the next two years, partly due to the Government's high interest rate policies, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said yesterday.

The Treasury estimate of 1.65m people out of work in 1980-81 probably underestimated hidden unemployment, as well as the effects of a radically higher Minimum Lending Rate, he told the Financial Times conference on Change in the Economy.

Mr. Jenkins said the Trades Union Congress would not be "sulking in its tents," but would be trying ot encourage the Government — which he called "a colossal disaster" — to abandon its policies.

Industrial stagnation, the sharp rise in interest rates and the increase in value added tax were doing "incredible damage to the British people."

The present crisis discredited monetarist policies. The Bank of England could not control money supply and interest rates simultaneously.

Massive spending

The only way out was for the Government to undertake massive public spending to re-equip manufacturing industry. BL would need substantially more than £1bn to acquire the necessary level of technology.

The Government would also have to come to terms with import controls.

It would be folly if Britain did not divert its oil and gas revenues into specific projects to build up its industrial base, said Mr. Jenkins.

Mr. Edgar Palamountain, chairman of the M and G group, said he was pleased that the Government had separated policies to deal with inflation from those aimed at curbing unemployment.

"The idea that unemployment can be checked by macro-economic means has been abandoned," he said.

Crude totals for unemployment could give misleading impressions of activity, because of the prevalence of unrecorded employment. It might even be said that "moonlighting" — with its lack of strikes and bureaucracy — was one of the most efficient areas of the economy.

Mr. Palamountain said the job of City institutions was to look after savings by maximising returns. The idea that funds under their control should be specifically diverted into areas favoured by Government was "heresy."

Protectionist

Mr. Edmund Dell, executive chairman of the Guinness Peat group, said Britain's industrial weakness might lead the Government, with its much proclaimed market oriented philosophy, to consider protectionist policies.

"My fear is that economic failure will lead this country towards increasing economic and political isolationism."

This would be selected not out of any realistic hope that it would improve the economy, but as a final expression of defeat.

One of the benefits of EEC membership had been that it had inhibited such a retreat. There were tensions within NATO already, and these could be greatly increased by serious regression to protectionism among North Atlantic countries.

Governments often pretended to be free traders. But people were living in a hard mercantile world, in which countries could be expected to do everything to look after their own interests, often mistakenly.

All the same, since the war, countries had developed greater

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openness in international trade and economic relationships. The best way of preserving this was to negotiate point by point with partner countries to achieve as good a balance in trade as possible, recognising the political and social pressures on governments, particularly during recessions.

Mr. Samuel Brittan, assistant editor of the Financial Times, said it was in the interests of the majority of trade unionists and their families that union market power should be weakened.

"Too many people who know this are afraid to say so for fear of being called names, or because it would bring them into the company of reactionaries, whose motives are different from their own."

Trade union monopoly power did not cause continuing inflation. But it could cause plenty of other damage. Union monopoly increased wages in the strongly organised sectors at the expense of other workers, who were forced either into lower paid inferior employment, or onto the dole. The real struggle was not between employers and unions, but between rival groups of workers for shares of the national product.

The three main sources of union monopoly were the closed shop, the exemption of unions from legal liabilities for breach of contract, and picketing in a much wider sense than the normal definition.

Mr. Brittan argued that unions should have to make out a positive case for being allowed to use the strike threat weapon. It was also "madness" to encourage unions to build up strike funds as an alternative to social security payments. Any action which made picketing more difficult or costly, which reduced union immunities, or restricted the closed shop, was in the right direction.

Mr. Wynne Godley, director of Cambridge University's department of applied economics, said Britain would have to reduce its propensity to import in order to allow expansion of domestic demand. This was necessary to avoid chronic recession and growing unemployment.

He favoured non-selective measures to reduce imports allowing general expansion to be sustained indefinitely within the constraints of Britain's productive capacity. He was, however, against protectionism in a stagnant world.

Mr. Michael Killeen, managing director of Ireland's Industrial Development Authority, said industry needed the opportunity of making and retaining profits in order to allow the private sector to expand and contribute to economic development.

The IDA's target was to create new jobs. The key to this was a high return on investments, which led to high output, high productivity and more jobs. U.S. statistics showed the average rate of return on U.S. manufacturing investment in Ireland between 1974 and 1978 was 29.9 per cent — by far the highest in the world.

WHY BRAZILIANS BOUGHT TURNTABLE MAKER

Garrard fits global goals

BY ELAINE WILLIAMS

GRADIENTE ELECTRONIC, the new owner of Garrard Engineering, the loss-making turntable manufacturer sold by Plessey yesterday, has been a Garrard customer for more than 10 years.

The Brazilian company, which bought Garrard for £1m versus its asset value of £5m, has always been impressed by Garrard's standard of engineering. This year Gradiente will make as many Garrard turntables in Brazil under a 1973 licensing agreement as Garrard makes in England. The company has distributed Garrard products since 1968.

Gradiente Electronics is a relatively young company started in 1964 by four university students. They designed and built hi-fi amplifiers, funding the venture out of their private savings.

Today the company has a turnover of £35m, post-tax profit of £4m and employs 2,800 in Brazil and Mexico. It claims to have 85 per cent of the hi-fi business in Brazil and Mexico, competing with the Japanese giants Sharp, Sanyo, Sony and Matsushita's National and Panasonic brands.

Gradiente began to expand rapidly in the 1970s, first by joining forces with a television component manufacturer, Staub Electronica. Mr. Eugenio Staub, then managing director of Staub, is president of Gradiente.

In 1973, a subsidiary employing 100 people was opened in Mexico, followed in 1974 by a new manufacturing plant in Brazil. In 1975 Gradiente decided to diversify its activities into telecommunications.

To achieve this Gradiente acquired IGB Control Telecommunications, a private Brazilian company founded in 1953. Gradiente is enjoying considerable success in this field having designed a new standard telephone for the Brazilian telecommunications authority, Telebas.

Siemens, L. M. Ericsson and International Telegraph and Telephone will make the unit under licence.

Gradiente has been looking for a hi-fi acquisition for more than a year. It already makes most of the range of hi-fi equipment including audio amplifiers, loudspeakers, receivers, tuners and cassette decks.

Mr. Staub is ambitious for his company, wanting to sell its products all over the world. Garrards distribution network and good name will enable him to achieve that.

He said that the existing product line of turntables would continue to be made at Swindon, guaranteeing the approximately 750 jobs in the company.

Gradiente will gradually add to Garrard's range the other products made in Brazil.

Mr. Staub admits that there is still a lot of work to be done to make Garrard a success again although he maintained that the company would be profitable in the next 12 months. His confidence stems from Plessey's "cleaning up operation" to reduce the annual loss by Garrard.

Gradiente has to reduce the £285,000 loss for the first quarter to June. But Mr. Staub believes this can be achieved by broadening the Garrard lines. He will also make use of Garrard's research department which he considers to be one of the world's finest.

Offer of 20% will go to pithead ballot

BY CHRISTIAN TYLER, LABOUR EDITOR

THE NATIONAL COAL BOARD has decided to take the risk of letting its "final" 20 per cent offer to go out to a pithead ballot of the 240,000 miners.

There is unlikely to be any improvement on the offer, rejected by negotiators of the National Union of Mineworkers this week.

A special meeting of the national executive of the NUM has been called for next Wednesday. This was to give the NCB time to improve on its £185m package.

Now it seems certain that the 25-man executive will reject the offer. What is less clear is whether that hard line will be put to the coalfields on the ballot paper.

A conference resolution of the NUM commits the executive to asking the members whether they are ready to take some form of industrial action in the event of a deadlock over pay. But union leaders have still to decide the precise wording of the ballot.

Meanwhile Coal Board officials will try to convince leaders of the union that they mean what they say about there being no more money available. Mr. Joe Gormley, NUM president, is abroad on a business visit to Luxembourg with the Board's industrial relations director, Mr. Cliff Shephard, which gives both sides time to study ways of preventing a damaging collision.

The NCB does not believe that there is any appetite in the coalfields for industrial action. But that calculation could go awry if the executive positively recommends it next week.

It was the moderates on the NUM negotiating committee who led the move for rejection, apparently in the belief that the board could be pushed a little further before a ballot.

Mr. Arthur Scargill, militant president of the big Yorkshire Area of the NUM, opened the Left's campaign for pit-level rejection of the offer yesterday.

He said "I would urge every miner to reject the offer of the Coal Board, and accept no less than the full claim agreed at our annual conference." The conference claim was for increases of between 30 and 65 per cent.

If the claim was justified then, said Mr. Scargill, it was even more justified now "in the light of rocketing prices and spiralling inflation."

Imports 'threaten collieries'

By Robin Reeves, Welsh Correspondent

UP TO six collieries in South Wales wil close with the loss of 4,500 miners' jobs if the British Steel Corporation goes ahead with plans to use foreign coking coal, Mr. Philip Weekes, the National Coal Board's area director, warned yesterday.

The issue is completely overshadowing area discussions on the NCB's latest wage offer.

Mr. Emlyn Williams, the South Wales miners' president, led a union deputation to Newport docks yesterday to seek trade union support for the blacking of an 18,000-tonne shipment of U.S. coking coal, due to arrive in about 10 days. The miners want the dockers to refuse to unload the coal.

The shipment—destined for BSC's Llanwern steel works—is seen as a "test case" by the National Union of Mineworkers.

British Steel's Welsh division intends to increase imports during the six months ending next March by 300,000 tonnes, to a total of 1m tonnes. This is 25 per cent of the division's coking coal requirement.

Mr. Weekes said that, while he sympathised with BSC's problems, if imports were maintained at this level, two or three pits and up to 2,500 miners' jobs could disappear.

Domestically-produced coking coal is £10 a tonne dearer than equivalent imported supplies, a differential almost certain to widen after the miners' pay settlement.

British Steel said yesterday that the corporation was duty-bound *to buy the cheapest coal* available to safeguard steelworkers' jobs.

In the Commons, MPs from South Wales said they would seek a meeting with Mr. David Howell, Energy Secretary. They are likely to urge that the NCB should be given the same treatment as the West German coking coal industry, which receives substantially higher production subsidies from its Government.

A PENSIONER from Tooting Pensioners' Action Group and *three hospital domestics* manned the picket line outside a South London geriatric hospital yesterday in a bid to prevent management from closing it, writes Lisa Wood.

Staff at the 247-bed hospital yesterday mounted the picket in protest at a decision, by Merton, Sutton and Wandsworth Area Health Authority, to close St. Benedict's, Tooting, as part of a £5m cut in services.

Tthe action by nurses, domestics and ancillary staff, was described yesterday as "passive resistance against the closure," by Mr. Peter Rack, leader of the hospital defence council.

The pickets, who included Mr. Neil Osborne, branch secretary of the Confederation of Health Service Employees (left) and Nurse Anna Finlay, were not interfering with the hospital's day-to-day operation. They wanted to prevent the removal of any patients.

The hospital is due to close next July and doctors have been told not to admit new patients after December 1. Patients are to be gradually transferred to the Bolingbroke Hospital, Wandsworth, St. James' Hospital and the South London Hospital for Women and Children.

Nursing staff at St. Benedict's claim that facilities at these three hospitals are not suitable for elderly people.

Miss Kathleen Winser, a voluntary visitor to the hospital for 30 years, said: "These old people don't want to move. St. Benedict's is their home. Old people who are moved like this die when they are separated from their friends."

Sunday Times dispute resolved

By Alan Pike, Labour Correspondent

UNION LEADERS at Times Newspapers hope a formula has been agreed which will allow the first edition of the Sunday Times this year to appear as scheduled at the weekend.

Publication of the Sunday Times has been in doubt, in spite of the reappearance of its sister paper, The Times, since Tuesday, because of a demarcation dispute between the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel.

The dispute — over whose members should control the flow of papers into stacking machinery — was temporarily resolved when it was agreed that The Times would be produced on machine lines which do not incorporate the disputed machinery. Its use is, however, essential to produce the Sunday Times.

Mr. Les Dixon, NGA president, said yesterday that further discussions had now taken place with NATSOPA. These had produced a formula acceptable to both unions and agreed by the chapels (office branches) involved. "We do not anticipate any trouble in producing the Sunday Times on Saturday night," he said.

The NGA yesterday instructed 164 compositors on the London Evening News to return to normal working pending negotiations on a dispute arising from the publication of a colour supplement due to appear today. NGA members in the composing room stopped work yesterday in support of a demand for compensation because the supplement is being produced by an outside printer.

The National Union of Journalists' executive has instructed its recruitment and organisation committee to produce a report by next month on the prospects of amalgamation talks with other print unions. NUJ policy is in favour of making informal approaches and some executive members expressed impatience at the lack of progress since the April NUJ conference at their last meeting.

The NGA and the Society of Graphical and Allied Trades recently decided to enter into amalgamation discussions, and the NUJ is already involved in talks with both these unions on the new technology issue.

Craftsmen vote for Shotton closure

BY OUR LABOUR STAFF

A MASS MEETING of the 1,800 chaftsmen at the British Steel Corporation's Shotton works voted yesterday to accept the corporation's closure decision and negotiate maximum severance payments.

The meeting rejected, by a majority of about 2—1, a plea for the poistion to be left open, pending today's meeting in Sheffield of craftsmen throughout the steel industry. They are to discuss possible national industrial action against BSC's ending of iron and steel making at Shotton and Corby.

At the same time a union leader argued yesterday that it would be "counter productive" to take industrial action against BSC over its other proposal to end steelmaking at Corby, Northants.

Yesterday's decision at Shotton was seen as a serious setback to the campaign of resistance to the closure, which will result in the loss of at least 6,400 jobs at the Deeside works by next March. Members of the four craft unions at Shotton havea better prospect than steel production workers of finding alternative employment.

The 400 blast furnacemen at the works are also in favour of negotiating, but the second largest union membership, the Transport and General Workers, has already decided to fight on.

Members of the Iron and Steel Trades Confederation, the larges,t are deciding their attitude at branch level. Following discussions with the membership, representatives of all the Shotton trade unions are due to meet next Monday to decide finally whether to continue fighting the closure or negotiate redundancy terms with BSC.

Mr. Frank Cottom, national officer of the General and Municipal Workers' Union, told his union's iron and steel delegate conference in London yesterday that it would be counter-productive to take industrial action over the proposed Corby closure. If plants were closed as a result of action, there was no guarantee that they would all re-open, he said.

● The sale to private enterprise of the steel and iron making plant at Shotton, North Wales, could cut the UK's imports of sheet steel by up to half, and not harm the British Steel Corporation in any way, according to the county council of Elwych, in which Shotton is located.

Teachers dispute hours claim

By Michael Dixon, Education Correspondent

DESPITE lengthy school holidays, teachers work a longer week than the average man in a non-manual job, says the National Union of Teachers in its evidence to the Clegg Commission on pay comparability.

"The supervisory role of the teacher is wider than a similar supervisory role in industry or commerce or, indeed, any adult employment," the evidence adds.

The NUT, which controls the unions' panel of the Burnham negotiating committee, this year claimed a 36.5 per cent pay increase. But the panel eventually settled for 9 per cent plus £6 a month pending the Clegg Commission's study.

The claim about school staff's working week contrasts sharply with a statement earlier this year by the NUT's main rival—the National Association of Schoolmasters and Union of Women Teachers, that teachers were paid for only five hours' work a day on 190 days a year.

The local education authorities recently complained that increasing numbers of staff were working only the minimum time-tabled hours. But the NUT maintains that teachers work much longer than their required hours.

Separate talks on TV dispute

THE BBC and the Association of Broadcasting Staff will meet Advisory, Conciliation and Arbitration Service officials today for separate talks over a grading dispute which has already hit programmes.

The union has made a 24-hour strike by 40 outside broadcast sound staff official and will support industrial action by other BBC staff. The strike started at 2 pm yesterday and included workers on the Miss World programme.

BY RAY DAFTER

Britain's bottom drawer

THE BUILD-UP of North Sea oil production could not have been better timed in view of the uncertainties surrounding international oil supplies and the political problems that might well further disrupt the oil market during the coming years.

Output from the British sector of the North Sea is running at about 1.7m barrels a day—over 85 per cent of the level needed to satisfy domestic oil demand and some 3.5 per cent of total non-Communist world production. The steady rise of North Sea production has given the UK a taste of what it is like to be energy self-sufficient. That comfortable position was reached momentarily this summer, thanks largely to low demand, but it should be sustained from next year as more fields are brought on stream.

The significance, in terms of energy security, cannot be overstressed, particularly when it is realised how much of this oil is under the control of the Government or the British National Oil Corporation.

Next year, for instance, BNOC might be handling around 1.4m b/d of oil, equivalent to some 70 per cent of total British production. It will be accumulated by the Corporation in a number of ways: through its own equity *interests in fields: through sale* arrangements with other producers (*including British Gas*); through the large quantities of oil sold to it under state participation arrangements: and through the Government system which permits royalties to be taken in oil rather than cash.

How long Britain can take economic advantage of its oil *resources has been a matter of* controversy. Looking on the black side it is possible to see production levels falling away rapidly from the mid-1980s with self-sufficiency expiring around 1987-88. That view was presented last year by the UK Offshore Operators' Association in *a report presented to the now-*defunct Energy Commission. *For the sake of this particular* analysis UKOOA assumed that only 25 fields would be exploited —in essence those fields, listed in the accompanying table, which are either already producing oil or are in the development stage.

It is unrealistic to assume that no further fields will be found and exploited. (To be fair, UKOOA in its report recognised the potential for adding additional fields to those now being exploited.) The Department of Energy, in its latest energy assessment, presents a slightly brighter picture. It says that the UK need not be a net oil importer *before* 1990.

From then, it goes on, British output will not be sufficient to meet demand, and by the end of the century net oil imports could be running at about 700,000 to 1m barrels daily. If you take another departmental estimate that by the turn of the century oil *prices (in 1979* dollars) could be as high as $45 to $65 a barrel, those projections imply a return to a massive fuel import burden.

But is this not too pessimistic a view? After all, the fields currently designated as commercial account for around 12bn barrels of *recoverable* reserves. Government estimates indicate that the amount of oil that might eventually be available from the North Sea and other offshore areas is in the range of 17.6bn to 32.2bn barrels with the *probability* that it will be nearer 22bn barrels.

However, within the oil industry it is generally felt that the North Sea alone can yield up to 20bn barrels. A new internal study by Shell UK—one of the biggest North Sea operators—*breaks down the* figures as follows: 12bn barrels in current commercial fields: 6bn barrels in fields each containing at least 50m barrels, and a further 2bn barrels in smaller accumulations which might become *exploitable given time, rising* prices, and improving technology.

In addition to these North Sea reserves there must be oil that can be exploited in other parts of the UK Continental Shelf. *The English Channel*, where a British Gas Corporation well is *prompting a good deal of* interest at the moment, shows promise, particularly as it is felt that the geological structures containing the Dorset oil fields of Wytch Farm and Kimmeridge extend offshore.

Promising areas

The Western Approaches contain other promising areas, although as yet little is known *of the detailed geology*. Then there is the West Shetland Basin, known to contain at least 10bn barrels of fairly heavy oil lying close to the surface and contained in a large, but shallow field. For all these reasons the oil will be difficult and expensive to extract. A large per*centage of the oil in place will* never be extracted. But even a 10 per cent recovery factor would make it a large field by any standard. Besides, there is a strong possibility that other commercial fields will be found in the area over the next few years.

These resources, in what are now regarded as frontier areas, will be the *target* for development schemes in the 1990s and beyond. They will provide an opportunity to stretch the level of peak offshore production for longer than implied in the Energy Department's forecasts.

Mr. John Raisman, chief executive of Shell UK, is not noted for rash statements. But he says: "It is not too fanciful to suggest that we could extend our self-sufficiency beyond AD 2000. I believe this is a fair assumption to plan on, although it does not seem that either industry or the Government are planning on this basis."

The comment is prompted by the Shell study which shows that given the "right incentives" the oil industry could develop as many as 80 new fields between now and the end of the century.

Many of these fields will be very small by North Sea standards; possibly less than 50m barrels in a number of cases. A few years ago that would have been dismissed as uneconomic but every time crude oil prices rise (and at over $26 a barrel North Sea crudes are among the *most expensive in the world*), they become commercially more attractive.

That is not to say the oil will be won cheaply. Development costs for North Sea oil are currently between $8,000 and $10,000 per daily barrel of peak production. (For example, a *field yielding 200,000 barrels a* day would cost $1.6bn to $2bn to develop.) A few years ago the cost was nearer $2,000 to $3,000 per daily barrel. According to Shell, future costs could rise to not less than $15,000 to $20,000 per daily barrel (assuming constant prices).

These projections show how tremendous is the amount of work that will become available to the suppliers of equipment and services to offshore oil companies. The North Sea oil programme, envisaged by Shell, could alone provide $30bn worth of orders over the next two *decades*. This would cover the development of the 80 fields—at an average of around £300m each at current prices — of associated pipelines and terminal facilities.

But this is only a start. The cost of operating and maintaining UK offshore oil facilities is thought to be running at about £500m a year. This expenditure *will certainly increase as more* fields are brought on stream and some of the older platforms need increasing attention.

The further exploration of offshore gas reserves, together with the construction of a new pipeline collection system, could easily add £5bn to £10bn to the capital programme. And still no allowance has been made for the high cost of opening fields outside the North Sea, such as *those west of Shetland*.

It adds up to an unprece*dented opportunity* for British industry which is winning more than two-thirds of all orders (in value terms) placed by offshore operators in the UK sector of the North Sea. Mr. Raisman believes that directly and in*directly offshore construction* could provide 2-3 per cent of gross domestic product to the end of the century.

For all this to happen—as Mr. Raisman outlined briefly at the recent annual conference of the Confederation of British Industry—the Government need not provide specially favourable treatment. The reduction of British National Oil Corporation's special privileges has already done much to improve the operating climate, according *to the oil indusry*.

But Mr. Raisman and his colleagues would like to see some basic conditions met, and openly confirmed, by the new Conservative Government. They can be summarised as follows:

● An even-handed treatment of all investors. There is some concern that future policies will favour British oil interests and reduce the influence of international companies. It is known that BNOC has been favouring UK refiners in its £500m. forward sale of oil. According to those pressing for even-handedness, Britain needs international expertise and financial *resources*.

● An active licensing policy. *Here companies* are keenly awaiting details of the first round of licences to be announced by the new Government. In general they hope that it will be more extensive than previous rounds, not only offering a reasonable number of blocks containing prospective oil structures but also including concessions in so-far unexplored areas. *In this way, it is argued,* both Government and industry can gain a better idea *of* Britain's oil resources.

There *has been some concern* within Whitehall that too active an exploration programme might lead to a spate of oil field development projects in the mid and late 1930s. Mr. Raisman argues that there is no harm in allowing companies to find oil: the Government can always control the speed of extraction. If the Government wants to slow down development work it merely delays for a year or so *field development authorisation*.

● Finally, a stable tax regime. This is a constant cry of the oil industry and in general *a forlorn one. No Government* can commit itself to holding taxation at one particular level, especially when oil prices are rising rapidly as they are at present. However, what particularly concerns the industry is that governments may be tempted to use Petroleum Revenue Tax *as a short-term* rent collector.

Mr. David Howell, Energy Secretary, has gone some way towards meeting the industry's needs, although he did retain BNOC against the wishes of many oil men. In as much as Government policy has been spelled out, *Mr. Howell has told* the industry, in effect: "We will *keep government interference* to a minimum providing you produce the goods." Mr. Raisman for his part has shed a welcome new light on the opportunities. If the prospects are as bright as he suggests and if the operating conditions remain as Mr. Howell intends, Britain could look *forward* to self-sufficiency in oil for perhaps 20 years or more.

NORTH SEA OIL PRODUCTION — UK SECTOR

FIELD	START OF PRODUCTION	RECOVERABLE RESERVES (million bbl)	PRODUCTION DATE Oct. 1978-Sept. 1979 ('000 b/d)	PEAK PRODUCTION RATE ('000 b/d)
PRODUCING FIELDS				
Argyll	June 1975	36–50	17	22
Auk	Feb. 1976	50	19	48
Beryl	June 1976	400	78	80–95
Brent	Nov. 1976	2,000–2,200	195	460–550*
Claymore	Nov. 1977	404	80	110
Dunlin	Aug. 1978	450–600	103	120
Forties	Nov. 1975	1,800	503	500
Heather	Oct. 1978	150	16	50
Montrose	June 1976	110–155	29	40–50
Ninian	Dec. 1978	1,200	108	360
Piper	Dec. 1976	618	270	280
Thistle	Mar. 1978	450–500	75	180
TOTAL		7,668–8,127	1,493	N/A†
FIELDS UNDER DEVELOPMENT				
Beatrice	1981	160	—	80
Beryl "B"	1983	300	—	85
Brae	1983	250	—	100
Buchan	1979/80	50‡	—	50
Cormorant Sth.	1979/80	110	—	60
Cormorant Nth.	1982/83	400	—	180
Fulmar	1981	500–525	—	180
Hutton§	1983/84	250	—	80–100
Hutton NW	1982	280	—	100
Magnus	1983	450	—	120
Maureen	1981/82	150	—	75–80
Murchison	1980/81	350–380	—	130
Statfjord	1979/80	477	—	60
Tartan	1980	250–300	—	65–90*
TOTAL		3,977–4,082		

Notes: * Including natural gas liquids. † Not applicable (fields will not reach peak production at the same time). ‡ Provisional estimate. § Department of Energy application still to be submitted.

Source: Wood, Mackenzie; Hoare Govett/Wilton Publications; Department of Energy and other industry estimates.

BUSINESSES FOR SALE

BUSINESSES WANTED

PLANT AND MACHINERY

APPOINTMENTS

Chief executive at Laporte Industries (Holdings)

Mr. K. J. Minton, at present operations director of LAPORTE INDUSTRIES (HOLDINGS), has been appointed managing director of the company from January 1, 1980.

★

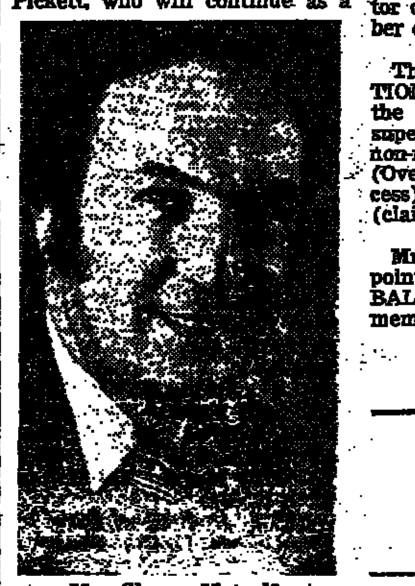
Mr. C. P. Astin has been appointed executive managing director of FRANCIS SUMNER (HOLDINGS). He will be leaving his present position as an executive director of Barclays Merchant Bank to join the Sumner Group from December 3.

★

Mr. Philip Farrar has been appointed commercial manager of NORCO TRANSPORT, the road tanker subsidiary of Mersey Docks and Harbour Company.

★

Mr. Shaun Metcalfe has been appointed managing director of TECHNOLOGY FOR COMMUNICATIONS INTERNATIONAL (TCI) of Crawley, Sussex. He succeeds Mr. Roger Pickett, who will continue as a



Mr. Shaun Metcalfe

non-executive director until the early part of 1980, and then as a consultant. Mr. Metcalfe was previously sales director of the company, which provides advanced antenna systems on a turnkey basis for professional organisations.

★

Mr. S. T. S. McDougall is to become operating manager of the newly formed personnel services division of URWICK ORR AND PARTNERS from January 1.

★

Mr. John Bloxcidge has joined the Board of WILKINSON MATCH. As managing director, UK and International, he is responsible for the group's consumer products business in the UK and Continental Europe, and in this capacity reports to the group managing director, Mr. Christopher Lewinton. Mr. Bloxcidge was previously with the Prestige Group.

★

Lord Thorneycroft has resigned as a director of PYE OF CAMBRIDGE.

★

Mr. Nigel F. Burton has been appointed to the new position of general manager of LLOYD'S LIFE ASSURANCE (ISLE OF MAN). He was previously assistant actuary with Lloyd's Life Assurance in London.

★

Mr. Roy Ashman has been appointed a non-executive director of MILLENNIUM PROFESSIONAL AND TECHNICAL SERVICES. He is managing director of PPD Engineering, a member of the Laurence-Scott Group.

★

Mr. Philip Chappell, a director of Morgan Grenfell and Co., has succeeded Sir Jeremy Morse, chairman of Lloyds Bank, as chairman of the CITY ARTS TRUST.

★

Mr. D. A. Jenks, managing director of R. PATERSON AND SONS, will take over the additional post of chairman on January 1 in place of Mr. William Armstrong, who retires at the end of this year. Mr. Gordon Thomson has joined the Board.

★

The INSURANCE CORPORATION OF IRELAND has made the following appointments of superintendents of its London non-marine office: Mr. B. Bartell (Overseas), Mr. K. Flynn (Excess), and Mr. D. Killelay, (claims).

★

Mr. R. A. Jones has been appointed commercial manager of BALFOUR KILPATRICK, a member of the Balfour Beatty Group of BICC. Mr. Jones was previously chairman of Crown House Engineering and a director of Crown House Limited.

★

Mr. Philip Stanyer has been appointed a director of Shaw Packing, Shaw Polythene and Shaw Readipak. Mr. Michael H. Bly has become a director of Shaw Packing. The parent concern is READICUT INTERNATIONAL.

★

Mr. R. V. Fletcher has been appointed manager, sterling treasury, and Mr. D. J. Nolan manager, foreign exchange treasury, of ALLIED IRISH INVESTMENT BANK, London branch.

★

Mr. Frank W. McAbee, Jr., has been named president of the government products division of PRATT AND WHITNEY AIRCRAFT GROUP. He succeeds Mr. Edmund V. Marshall, who is being reassigned to another position in the group.

★

Mr. R. A. Davis and Mr. A. J. Van Schijndel have been appointed by EQUITY AND LAW LIFE ASSURANCE SOCIETY as assistant managers for the Netherlands. Mr. S. J. Eldridge, branch manager, Canterbury, and Mr. W. F. Pringle, deputy pensions branch manager, Birmingham, retire next March.

★

Mr. A. P. Perry-Lewis has been appointed a director of SARABEX LIMITED, London.

BANK RETURN

	Wednesday Nov. 14 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	26,515,085	— 1,324,156
Special Deposits	805,470,000	+ 26,730,000
Bankers Deposits	488,083,986	— 18,181,955
Reserves & other Accounts	737,321,105	+ 66,622,574
	2,071,943,174	+ 73,846,285
ASSETS		
Government Securities	1,576,555,471	+ 102,260,098
Advances & Other Accounts	163,625,976	+ 10,124,352
Premises Equipment & Other Secs.	321,755,548	— 29,955,981
Notes	9,800,064	— 8,573,409
Coin	210,214	— 8,679
	2,071,943,174	+ 73,846,285
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	9,650,000,000	—
In Circulation	9,640,199,936	+ 8,573,409
In Banking Department	9,800,064	— 8,573,409
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,408,462,841	— 5,420,324
Other Securities	1,230,522,059	+ 5,420,324
	9,650,000,000	—

Blunt named as 'fourth man' in Russian spy ring

BY PHILIP RAWSTORNE

SIR ANTHONY BLUNT, the Queen's former art adviser, was yesterday officially named as the "fourth man" in the Burgess-Maclean-Philby spy case.

Mrs. Margaret Thatcher told the Commons that Blunt—who will be stripped of his knighthood today—had confessed in April 1964 that he had acted as a "talent spotter" for Russian Intelligence when he was a don at Cambridge before the war.

As a member of the British Security Service between 1940-45, he had regularly passed information to the Russians, Mrs. Thatcher said.

Blunt had confessed only after being given an undertaking that he would not be prosecuted.

The revelations brought a storm of protest from Labour MPs about the "double standards" operated under the Official Secrets Act.

Government Ministers are being pressed for a full debate on the affair and face further demands for Blunt's prosecution.

Blunt, a distinguished art historian, is now 72. He is an honorary Fellow of Trinity College, Cambridge; has been awarded honorary degrees by several other universities, and in 1956 was made a KCVO, a personal award of the Queen, after 27 years as Surveyor of the Sovereign's Pictures.

Confirmation of his spy role was given yesterday in a written Commons answer by Mrs. Thatcher.

Blunt had joined the British Security Service in 1940 after inquiries had judged him "a fit person," she said.

"He was known to have held Marxist views at Cambridge, but the security authorities had no reason either in 1940 or at any time during his service to doubt his loyalty to his country."

Blunt had left the Security Service in 1945 and resumed his profession as an art historian, holding a number of academic appointments as well as the Royal post.

Mrs. Thatcher said: "He first came under suspicion in the course of the inquiries which followed the defection of Burgess and Maclean in 1951 when the Security Service was told that Burgess had said in 1937 that he was working for a secret branch of the Comintern and that Blunt was one of his sources."

There had been no supporting evidence, however, and Blunt had denied it.

The Security Service had remained suspicious and in the course of a prolonged and intensive investigation interviewed Blunt on 11 occasions.

"He persisted in his denial and no evidence against him was obtained," Mrs. Thatcher said.

Nothing to implicate Blunt was uncovered in the inquiries which preceded the exposure and defection of Philby in January 1963.

But early in 1964, new information was received which directly implicated Blunt though it did not provide a basis for charges to be brought against him.

Mrs. Thatcher said: "The then Attorney-General decided in April 1964, after consultation with the Director of Public Prosecutions, that the public interest lay in trying to secure a confession from Blunt not only to arrive at a definite conclusion on his own involvement but also to obtain information from him

"It was considered important to gain his co-operation in the continuing investigations by the security authorities, following the defections of Burgess, Maclean and Philby, into Soviet penetration of the security and intelligence services and other public services during and after the war."

The Attorney-General authorised an offer of immunity from prosecution if Blunt confessed.

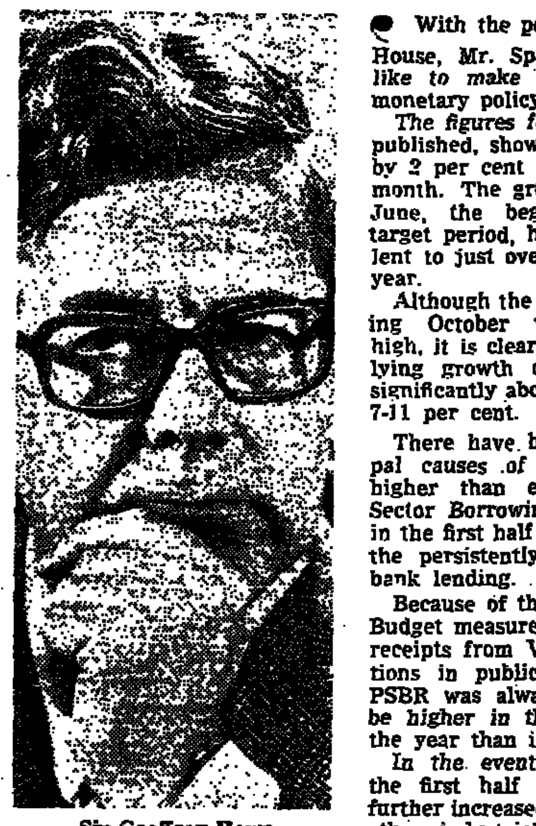
"Blunt then admitted to the security authorities that, like his friends, Burgess, Maclean and Philby, he had become an agent of Russian intelligence and had talent spotted for them at Cambridge during the 1930s; that he had regularly passed information to the Russians while he was a member of the Security Service; and that, although after 1945 he was no longer in a position to supply the Russians with classified information, in 1951, he used his old contact with the Russian Intelligence Service to assist in arrangements for the defection of Burgess and Maclean.

The Queen's Private Secretary had been informed of the situation in April, 1964. But Blunt had not been required to resign his unpaid appointment to the Royal Household.

"It carried with it no access to classified information and no risk to security and the security authorities thought it desirable not to put at risk his co-operation in their continuing investigations," said Mrs. Thatcher.

Sir Anthony Blunt

Howe clamps down on growth of money supply



Sir Geoffrey Howe

● With the permission of the House, Mr. Speaker, I should like to make a statement on monetary policy.

The figures for October, just published, show that £M3 grew by 2 per cent in that banking month. The growth since mid-June, the beginning of the target period, has been equivalent to just over 14 per cent a year.

Although the figure for banking October was erratically high, it is clear that the underlying growth of £M3 is still significantly above the target of 7-11 per cent.

There have been two principal causes of this excess: a higher than expected Public Sector Borrowing Requirement in the first half of the year and the persistently high level of bank lending.

Because of the timing of the Budget measures—in particular receipts from VAT and reductions in public spending—the PSBR was always expected to be higher in the first half of the year than in the second.

In the event, the PSBR in the first half year has been further increased by strikes and other industrial action, which have delayed the collection of VAT and telephone bills.

At the peak, arrears on telephone bills are expected to reach £1bn.

A large part of these arrears will be made good in the second half year. Even so, the best estimate which could now be made of the PSBR for the year as a whole if no action is taken is that it would be about £9bn, compared with the £8.3bn Budget estimate.

The monthly growth of bank lending has averaged about £700m over the last quarter. Although the timing is difficult to predict, its growth can be expected to fall in due course.

Nevertheless, it is necessary to take action now to bring the growth of the money supply within the target range.

The Bank of England accordingly announced this morning with my approval that Minimum Lending Rate would be increased to 17 per cent.

This goes beyond the rise in market interest rates at home and demonstrates the Government's determination to act with the firmness foreshadowed by my Rt. Hon. Friend the Prime Minister earlier this week.

The House will realise that interest rates overseas have risen sharply as other countries have moved to fight inflation by limiting monetary growth.

In the United States, for example, prime rates have risen from 11½ to 15½ per cent since the summer.

'The rise in the Minimum Lending Rate . . . goes beyond the rise in market interest rates at home and demonstrates the Government's determination to act with the firmness foreshadowed by the Prime Minister earlier this week.'

In addition to sales of gilts, we intend to secure further funding of the PSBR through National Savings. The limit on holdings of the index-linked National Savings Certificates Retirement Issue will be increased next month from £700 to £1,200.

A new ordinary National Savings Certificate will be introduced early next year. The interest rate on the National Savings Bank Investment Account will be raised to 15 per cent from January 1 next.

Although much of the increase in the estimate of this year's PSBR is due to the timing of receipts, further action is required to bring the PSBR down.

In the light of this, we shall require oil companies to make a payment on account of Petroleum Revenue Tax at the time when they make their returns.

This will have the effect from now on of advancing the due date for collection by 2 months, thus bringing the arrangements for PRT into line with those for collecting royalties.

This will ensure that PRT reaches the Exchequer with the minimum of delay at a time when oil prices are rising.

The Bill to achieve this will be introduced shortly. It will reduce this year's PSBR by £700m and thus bring the estimated level back to the original Budget figure of £8.3bn.

It will also yield an extra £300m next year, in addition to £400m or so from the deferred payment of telephone bills.

I set in band some months ago a review of methods of controlling the growth of the money supply. The main instruments must continue to be our public expenditure and tax policies, which together determine both the size and the composition of the PSBR, and interest rate policies. Recently, the Supplementary Special Deposits scheme, or corset, has also played a part in monetary control.

I am well aware of the limitations of this scheme and do not believe that it has a permanent role to play.

Nevertheless, the Governor and I have agreed that it is right that it should continue for a further six months. The Bank announced the arrangements this morning.

In the future, other techniques, including one of the variants of monetary base control, could play a useful role, without the disadvantages of the SSD scheme.

The Bank and Treasury will therefore shortly issue a discussion paper for consultation.

I must, however, stress that no such scheme can avoid the need for the right fiscal and interest rate policies. Indeed, one of the possible advantages would be to improve the response of interest rates to monetary conditions.

Finally, I am extending the period covered by the present target range for £M3 of 7 to 11 per cent per annum. That target at present applies to the 10 months from mid-June 1979 to mid-April 1980.

It will now cover the 16 months from mid-June to mid-October 1980. The effect will be to avoid building into the target for the new period the excess growth of the money supply in the recent past, while allowing a reasonable period in which to offset that excess.

Mr. Speaker, Britain's future depends above all on mastering inflation. This can be done only if we bring the money supply under firm control, progressively reduce the rate of monetary growth over the years, and pursue the most rigorous restraint on public spending.

The supposed alternatives to these policies are a delusion. None of them would be responsible and noe of them would be sustainable.

The action I have taken today underlines the Government's total and continuing commitment to getting inflation down. '

Anti-trust row less likely

By Paul Cheeseright

THE U.S. Government is urging the British Government to change key provisions of its Bill to protect British companies from the effects of U.S. anti-trust laws.

But the likelihood of a major diplomatic row over proposed UK actions to resist U.S. assertions of jurisdiction outside its borders on international anti-trust cases has diminished.

Representations have been received from the U.S. about a number of aspects of the Bill, Mr. John Nott, the Trade Secretary, said yesterday as he moved the second second reading of the Protection of Trading Interests Bill.

But the aspects he listed are those which provide the Bill with its teeth. The U.S. is concerned about the powers being granted to the Trade Secretary to prevent documents from outside the U.S. going to help U.S. courts and investigations.

America is also concerned about the British attack on the practice of granting multiple damage judgments in the courts. This practice permits those injured by anti-trust transgressions to claim both compensation and an additional amount double that in penal damages.

The Government's Bill states that foreign multiple judgments will not be enforceable here and that, further, UK companies affected by such judgments will be able to recover through domestic courts the punitive element of the damages from the UK assets of the foreign company.

This recovery clause makes the Bill a more aggressive defence against U.S. claims legally to control international trading activity, which affects U.S. commerce in any way, than protective measures in other countries.

Although Mr. Nott said the Government was examining with care the points raised by the U.S., the vigour with which the Bill has been presented, the invocation of vital national interests and the billions of dollars at stake in outstanding cases, all suggest that any changes are likely to be minor.

It had, in any case, been expected that there would be protests about the Bill from Washington. But both private and public reaction in the U.S. has been muted.

Although there has been pressure from within Congress and from independent official agencies for more energetic application of anti-trust laws, other influential voices have made the point that anti-trust laws are not an effective way of regulating world trade.

Treasury dips again into 'North Sea honey pot'

BY RAY DAFTER, ENERGY EDITOR

THE CHANCELLOR'S decision to bring forward the date of payments for Petroleum Revenue Tax confirms the Treasury's view of the North Sea: it is a honey pot to be dipped into in times of need.

By bringing forward the payment by just two months the Government will raise around £700m, such is the scale of oil-based operations and revenue on the UK Continental Shelf. In this way, according to the Chancellor, the Government should meet its Budget target for the Public Sector Borrowing Requirement of £8.3bn.

As a result of special legislation, shortly to be introduced, the Government hopes to squeeze three PRT payments into this financial year.

Under the current terms of PRT, oil companies make payments twice-yearly. The first, for the previous July-December, is made May 1, while the second, covering the remainder of the year, is due on November 1. The Chancellor is aiming to bring forward the payments so that the first payment next year falls in March and thus in the current financial year.

The level of income indicated yesterday by Sir Geoffrey Howe suggests that the Government is expecting total PRT payments next year of more than £1.5bn, about twice this year's level.

The increase reflects rising North Sea oil production and decreasing allowances which offset PRT payments in the early period of a field's productive life. In addition, PRT revenue will continue to rise as North Sea oil prices increase.

North Sea crude oil is among the most expensive in the world, thanks to its lightness (and thus its suitability for refining into high-value products) and low sulphur content.

British Petroleum's Forties oil, for instance, is now selling for $26.07 a barrel, up from $23.30 a few days ago. Crude oil from the Montrose Field is more highly valued at $26.27 a barrel.

Palatable

Clearly oil companies were not enthusiastic about the change of dates. They had to swallow hard this summer when the Conservative Government carried through Labour's proposals to increase the basic rate of PRT from 45 per cent of revenue to 60 per cent.

And the Finance Act reduced various off-setting allowances available under the previous oil taxation regime. The changes brought the overall tax rate—PRT, corporation tax and royalty—to about 80 per cent.

Had the changes been implemented a year earlier the oil industry would have screamed heartily. As it was, the big rises in oil prices had made the new measures somewhat more palatable.

But companies are still concerned that the Government will make a habit of using North Sea taxation as a "short-term rent collector."

Mr. George Williams, director general of the UK Offshore Operators' Association, summed up the industry's view last night: "The move is obviously something we wouldn't welcome. Who would welcome being asked to pay tax two months early?"

British Petroleum said yesterday that the changes in PRT payments "must have an impact." It had not seen the full details but believed the main effect would be on its cash flow. However, the new ruling would not present "an insuperable problem."

BP's overall capital spending was "not likely" to be affected but the new payment times "will increase our capital requirements." The new regulations will effectively cut the time allowed to the oil companies to work out their costs and their PRT liabilities from four months to two.

Thatcher defends MLR rise

By Ivor Owen, Parliamentary Staff

WITH THE latest evidence of the rate of growth in the money supply the decision to raise the Minimum Lending Rate to 17 per cent was unavoidable, Mrs. Margaret Thatcher, the Prime Minister, argued in the Commons yesterday.

She swept aside Labour taunts—including a suggestion of divisions in the Cabinet—and contended that the new measures to restrict credit were fully consistent with the Conservative manifesto commitment to fight inflation.

The Prime Minister told her Opposition critics that high though the level of Govrenment borrowing was, it would have been even higher had Labour won the election.

In these circumstances, interest rates had to be high enough to get money in to pursue existing expenditure.

Seizing on the Prime Minister's reference to the Conservative manifesto, Mr. Michael Foot, the deputy Labour leader, asked: "When did you mention a 17 per cent MLR during the election?"

Mrs. Thatcher retorted: "You should know that our policy for fighting inflation was never in doubt.

National Savings returns raised

BY TIM DICKSON

A CAREFULLY calculated three-pronged attack on the savings market is the effect the Government hoped to achieve yesterday by raising returns on various National Savings instruments to record levels.

The instruments affected—the National Savings Bank investment account, the 18th issue savings certificate and the retirement issue—recently have been the movement's biggest money spinners. Just as significantly, they each appeal to a different part of the savings population.

With a gross return from January 1 of 15 per cent (up 2½ per cent) the investment account has once again leapfrogged over the bank. National eWstminster raised its rate on seven-day deposits to 13½ per cent earlier in the week. Events suggest, however, that this may not be enough.

With the other clearers sitting tight yesterday, further announcements are expected today. Nevertheless, even if base rates are brought into line with MLR at 17 per cent, the National Savings investment account is still likely to be attractive.

While the investment account is particularly popular with non-taxpayers (unlike the building societies interest is paid gross), the new 19th issue savings certificate is most likely to appeal to people with tax liabilities.

The certificates will cost £10 and will increase in value to £16.35 tax-free over five years giving a compound rate of interest of 10.33 per cent, equivalent to 14.75 per cent for a basic rate taxapayer.

The 18th issue, which will be "suspended" when the new issue goes on sale in February, returns a compound 8.45 per cent tax free over the same period or 12.07 per cent for the basic rate taxpayer.

Like the 18th issue, which presumably will be held up the Government's sleeve until interest rates generally start to fall, the maximum holding per person on t enehiwsilswue—person on the new issue will be limited to £1,500.

Holders of the 18th issue which was announced last January, may well decide to cash in their certificates in favour of the higher returns on the 19th.

Finally, by increasing the maximum permitted holding of retirement certificates from £700 to £1,200, the Government is further tapping the savings of another sector of the savings market: the elderly.

Bank of England statement

THE BANK of England announced yesterday that, with the approval of the Chancellor of the Exchequer, it had decided to raise Minimum Lending Rate from 14 to 17 per cent.

It also said that, with the approval of the Chancellor, it had decided to continue the operation of the Supplementary Special Deposits scheme for a further six months.

A notice to banks and deposit-taking finance houses describes the detailed application of the extension:

Liabilities

"The base on which the operation of the scheme rests will continue to be the average of each institution's interest-bearing eligible liabilities outstanding on the make-up days for the six months November 1977-April 1978.

"The application of the extension of the scheme will start from the average of each institution's interest-bearing eligible liabilities on the make-up days for November and December 1979 and January 1980 and end with the average of the make-up days for April, May and June 1980.

"The specified penalty-free rate of growth for each institution will continue to be 1 per cent per month of the true average.

An institution will be liable to lodge with the Bank non-interest - bearing Special Deposits on the scale specified in the Bank's notice of June 8, 1978, in the month after the period in which the average of its interest-bearing resources exceeds the penalty-free rate of growth.

"The terms of the operation of the scheme otherwise remain as set out in the Bank's notice of June 8, 1978.

Guidance

"The Bank's guidance to banks and finance houses on the direction of their lending remains in force.

In a separate note, the Bank said: "It is clear that the rate of monetary expansion, and in particular private sector demand for short-term credit, remains excessive although the money and banking figures for the single month of October—to be published this afternoon — exaggerate the underlying trend.

"In recent weeks market rates of interest have risen by about 2 per cent but a further rise is required to help to achieve slower monetary growth and Minimum Lending Rate has accordingly been raised to 17 per cent.

Healey denounces 'bungling doctrinaires'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S decision to raise Minimum Lending Rate to 17 per cent was denounced in the Commons yesterday by Mr. Denis Healey, the shadow Chancellor, as the action of a "bunch of bungling doctrinaires," who were ruining the British economy.

He was questioning the Chancellor, Sir Geoffrey Howe, whose words were drowned out in an angry Labour chorus demanding his resignation, as he completed a statement outlining his latest measures.

Throughout half an hour of intense questioning, Sir Geoffrey doggedly maintained that firm control of the money supply was the only long-term solution that could help the economy.

"It is no service whatever to the British people to ignore that lesson," he stressed.

The Chancellor emphasised repeatedly that it was now the responsibility of both sides of industry to reach responsible pay settlements if inflation was to be contained and unemployment reduced.

"A very large part of the answer to both these questions depends upon how far those responsible for management and the conduct of trade union negotiations understand the consequences of economic life," he said.

The major responsibility of the Government was to control money-supply. But it was equally crucial thta people in industry should "avoid strike action, avoid industrial disruption, and achieve pay settlements consistent with the growth of productivity and the maintenance of employment."

The Chancellor had been pressed on this points by Mr. Arthur Lewis, (Lab Newham W), who, by a slip of the tongue, referred to the advice given to the Government by the "Treasury nuts." Hastily, he corrected this to "Treasury knights."

From the Government backbenches, Sir Geoffrey was complimented on his firm action, and those Tory MPs who are convinced monetarists were glowing in their tributes.

But, once again, unease was expressed by some Conservative backbenchers who were worried about the effect which high lending rates would have on small businessmen.

There was also some concern about the ability of the banks to get round the Government's policy by means of acceptances and the purchasing power created by credit cards.

With Labour MPs cheering him on, Mr. Healey said that the measures announced by the Chancellor would mean that millions of people would have the unhappiest Christmas on record.

"A Government which relies exclusively on monetary policy has proved totally incompetent even on that," he went on.

The British people were now faced with the highest interest rates in their history. A higher mortgage rate was coming in at the New Year and he saw a prospect of a yet-further increase in mortgage charges after that.

He called on the Chancellor to make known the figures being set for the public sector borrowing requirement next year. Mr. Healey maintained that the fall in output would mean that public expenditure next year would be higher as a percentage of gross domestic product than it is now.

With the possibility of inflation running at 20 per cent or higher in the New Year, he wondered if the Government was satisfied that even the rate of 17 per cent would achieve its objective in limiting the growth in money supply.

Mr. Healey argued that the recent abandonment of exchange controls had opened a "gaping gap" in the machinery available to the Government for controlling money supply.

He asked why the "corset" on the banks was being retained, when anyone involved in financial management knew that it was absolutely useless now that exchange control had been abandoned.

"How will you protect millions of householders—and particularly small firms—against further increases in mortgage rates following the one in January?" he demanded.

The blow to borrowing would mean that thousands of small businesses would be faced with bankruptcy and there would be an increase in unemployment, he predicted.

Sir Geoffrey told Mr. Healey that the forecast of the Public Sector Borrowing Requirement for next year would be published at the appropriate time.

If the Labour Party thought that public expenditure would be too big a proportion of the national product, then he hoped they would be prepared to help the Government in reducing public spending.

Former Treasury Minister Mr. Maurice Macmillan (C., Farnham) suggested that the large number of acceptances now outside the banking sector might be increasing money supply by as much as 2 per cent.

But Sir Geoffrey told him that, if one sought to put direct controls on acceptances, then it would only result in further distortion.

That was why the Government was not doing so.

The Chancellor was taken to task by Mr. David Steel, the Liberal leader, who criticised the folly of abandoning any attempt to control prices and incomes.

He wanted to know how Sir Geoffrey expected businessmen to respond when they were faced with the possibility of 20 per cent interest rates when they tried to raise money.

Firmly, Sir Geoffrey retorted: "Action of this kind is necessary to establish, in the long-term interests of business, effective control of inflation. Businessmen would find it a great deal more difficult if action of this kind were not taken."

The Chancellor said it was untrue to suggest that the Government was relying solely on monetary policy. There was also fiscal policy and the reduction of public expenditure.

It was imperative for those responsible for pay bargaining to conduct their affairs in a way consistent with the growth of money supply.

The Government did not believe it right to intervene for the direct regulation of income growth and wage bargaining. That type of policy sowed the seeds of its own destruction.

Those concerned with pay bargaining should understand what followed from the money supply policy. They had a great responsibility to have regard for the resources available and the need for increased productivity.

"They ignore that lesson at their peril," he warned.

THE PROPERTY MARKET BY MICHAEL CASSELL

Hammerson spends £20m in Calgary

HAMMERSON PROPERTY and Investment Trust has decided to proceed with the final £20m phase in its Bow Valley Square office scheme in Calgary, Alberta.

The company, which still shies away from the UK development market because of continuing economic uncertainties and what it describes as "bureaucratic intervention," has recently found it hard to find what it regards as good development opportunities.

But it has taken the plunge at Bow Valley Square and when work on the fourth and final tower is complete in 1982 the office complex will rank alongside Woolgate House and Brent Cross as the company's principal investments.

The addition of the last tower will add 400,000 sq ft of office and retail space on 35 storeys. The Bow Valley complex as a whole will offer 1.45m sq ft of space.

Mr. Sydney Mason, chairman of Hammerson, said yesterday that funds in the shape of seven to 10-year money would be raised, when interest rates fell, in Canadian dollars. An early repayment clause would be included.

Although there is still something like six months to go before completion of the third tower, nearly all the available space in that phase is fully leased. The first two towers are fully occupied.

Tenants include names like Dow Chemicals, Deloitte Haskins and Sells, Supreto of Canada and the Royal Bank of Canada. Rents are over C$16 a square foot.

Hammerson says that considerable interest is being shown in the fourth tower and offers for over one third of the space have already been received.

Calgary, it seems, is one of the few major cities around the world in which Hammerson has unreserved confidence.

The City's population is expected to have risen by 50 per cent in the eight years from 1978 and Alberta's government has been highly successful in attracting major industrial and manufacturing groups to the region, an influx based on its vast natural resources, not least of which is oil.

Elsewhere in Canada, Hammerson is making steady progress with the letting of its 110,000 sq ft office block in Vancouver. Around 75 per cent of the space has been let since completion in 1978.

In Australia, the company has just one floor left vacant in its Phillip Street, Sydney, office building. All its other Australian properties are fully let.

Property shares take a dive

THE LIMITED impact which yesterday's record-breaking interest rate changes can, in isolation, expect to have on the property sector is a measure of just how far the property companies have come along the road to complete recovery.

For no longer are the majority of them shackled by mountainous borrowings and most, with one or two notable exceptions, now find themselves virtually immune from short-term fluctuations in interest rates.

Figures compiled by brokers Quilter Hilton Goodison show that short- and medium-term debts, net of deposits, of 38 of the largest property companies now stand at under £200m against a figure of well over £800m in 1974-75.

Most companies, having regained control of financial gearing, are back on a firm footing and the trend towards financing substantially lower levels of development out of cash flow has further reduced the need for many companies to seek outside funds.

Unlike the 1974-75 position, real profits are being earned, after discounting development outgoings, and all the indications are that they are generally set to rise subtantially over the next few years.

So why, if companies are in much better shape, profits are higher and of a better quality, have property shares in the last month shared with electronics the dubious distinction of being Number One Underperformer in relation to the All-Share Index?

On Monday this week, many of the property majors saw their prices slashed back by double figures and after some recovery on Tuesday, the pattern was repeated on Wednesday, with only two Hong Kong-based companies bucking the trend.

The property share index has, in the month up until yesterday, fallen by 21 per cent against an all-share index decline of just 12.6 per cent and it may yet have further to drop.

The answer seems to involve concern in the shorter term over some aspects of the property sector's expectations and the market's penchant for at least partially deflating buoyant performers.

Recovery

For the first point to emphasise is that until the last few weeks there has been a sharp recovery in property share prices and the FT Actuaries Property Share Index has handsomely outperformed the All-Share Index.

On the basis, therefore, that property has been one of the few profit-producing sectors it has perhaps been psychologically easier for investors in a nervous market to sell and have something to show for it. But most of the large selling, in a narrow market, may now well be over.

There is no doubt, however, that some outdated ideas about the impact of short-term interest rates on property are at least partially responsible for the present weakness and it seems a fair assumption that the sector's recent transformation has not been fully appreciated.

But there is some concern about the shorter-term outlook for property values, which at the moment could be seen as slightly vulnerable. However, a shortage of good property, together with high investment demand and the expectation that interest rates will fall during the recession—helping existing yield structures to accommodate any deceleration in rent growth—should keep values steady or at least limit their decline. There would seem to be room for a significant moderation in rental growth before prevailing investment yields are threatened.

So what happens next? It seems likely that the property sector will drift down a little further in the next few weeks as everyone waits for gilts to bottom out. Once they begin to rise, property can be expected to follow and the spring should see them back in favour.

Events this week might have set back the recovery of a few companies struggling to get back in shape but the underlying strength of most should be comforting in the months ahead.

In brief . . .

● The Post Office is seeking to raise £25m through a sale and leaseback deal on its London headquarters at St. Martins le Grand.

Agents Weatherall Green and Smith have been instructed to find a purchaser for the six-storey building. The Post Office is prepared to pay an annual rental of £1.5m for the 167,000 sq ft net of offices. This works out at just under £9 a sq ft.

The Post Office has recently won planning permission to develop its vacant St. Paul's site, across the road from the St. Martins le Grand headquarters. In addition the area could be further enhanced if the nearby Little Britain scheme, presently subject to a planning enquiry, goes ahead.

● A consortium headed by Locabail Immobilier, subsidiary of Compagnie Bancaire, the French banking concern, has acquired an 86,100 sq ft office investment in Le Peripole, 7 km east of Paris. The property, formerly owned by Groupe Meunier, is fully let to IBM France at a current annual rent of £377,000. Richard Ellis represented the purchasers.

● Hanover Property Unit Trust has paid just under £2m to acquire the second phase of First St. George's Investment Trust's Galleywall Trading Estate development, in London SE16. Knight Frank and Rutley advised Hanover on the purchase of the 52,000 sq ft development.

Capital and Counties steps up work

CAPITAL AND COUNTIES is adding a £1½m superstore to its Hayes Centre shopping and office complex in Cardiff.

The company, which is now cautiously stepping up its development programme after several unsteady years, has pre-let the new 50,000 sq ft store to Tesco.

It is being built on a piece of land which C & C have held on to since the Hayes Centre, which provides nearly 94,000 sq ft of offices and shops, was completed in 1966.

Mr. Denis Marler, managing director of the company, says that it is now actively considering a number of other development projects. C & C is still trying, however, to sign up another big retailing name to replace John Lewis in the proposed £40m central scheme for Sutton in Surrey.

Since Lewis backed out in February in favour of Kingston—a scheme which Dixons is also keen to win—C & C has been having talks with alternative names and these are now centred on one possible replacement. Development is due to start in 1981.

In the meantime, the company has a £5m office development project underway in Lewisham and is pressing ahead with plans for an industrial complex on the North Circular Road. Work on a 270,000 sq ft town centre programme in Wakefield is due to start next year.

The Cardiff development will provide a link between the Hayes Centre and the St. David's Centre scheme now being developed by a consortium under the leadership of Heron Corporation. The £25m central area project will occupy nine acres and is being financed by the Coal Board pension fund.

Development began last year and is due for completion in 1980. The scheme involves 68 shops and tenants lined up include Boots, Woolworth, Marks & Spencer and Debenhams.

Heron, which earlier this year pulled out of the Coin Street planning inquiry marathon in London in the face of "intolerable" delays and fierce opposition from local community groups, will soon be announcing a further extension of its present development programme.

Mr. Gerald Ronson, the head of Heron, said yesterday that the company was about to give the go-ahead for two new commercial schemes, which will involve development costs in excess of £15m.

● Gresvenor Estate Commercial Development's 23,000 sq ft. St. Peter's House office development in Victoria Street, St. Albans has been sold to an international fund for £2.75m.

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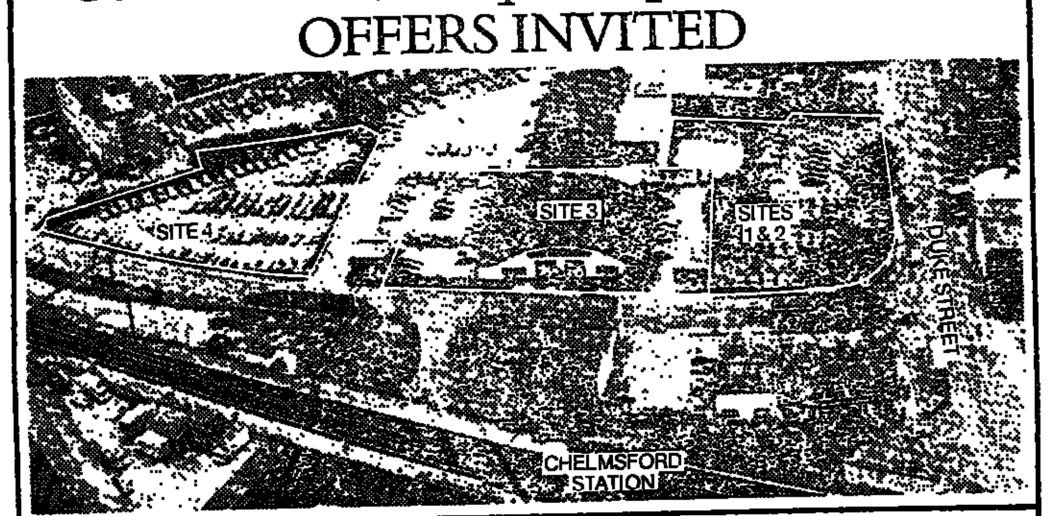

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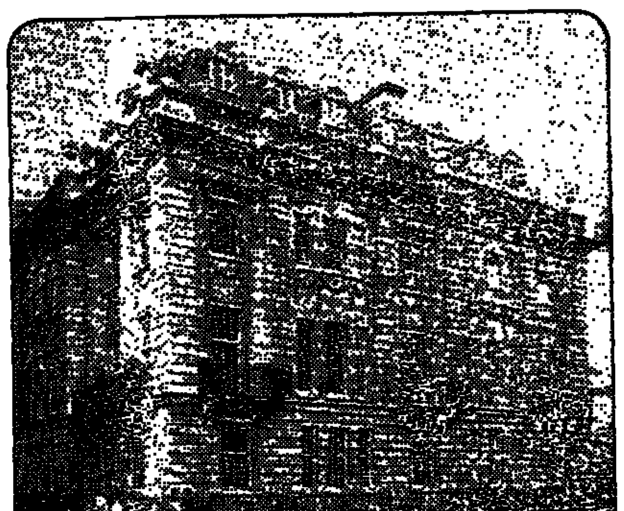

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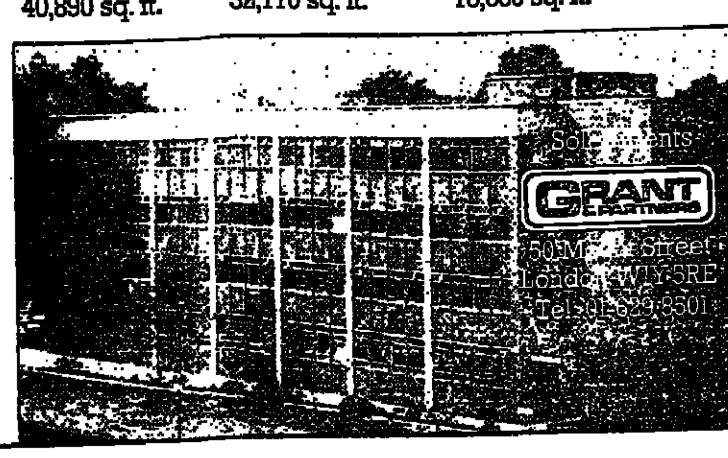

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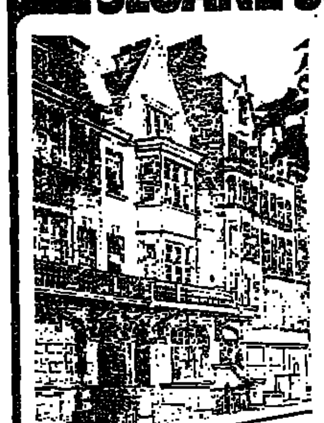

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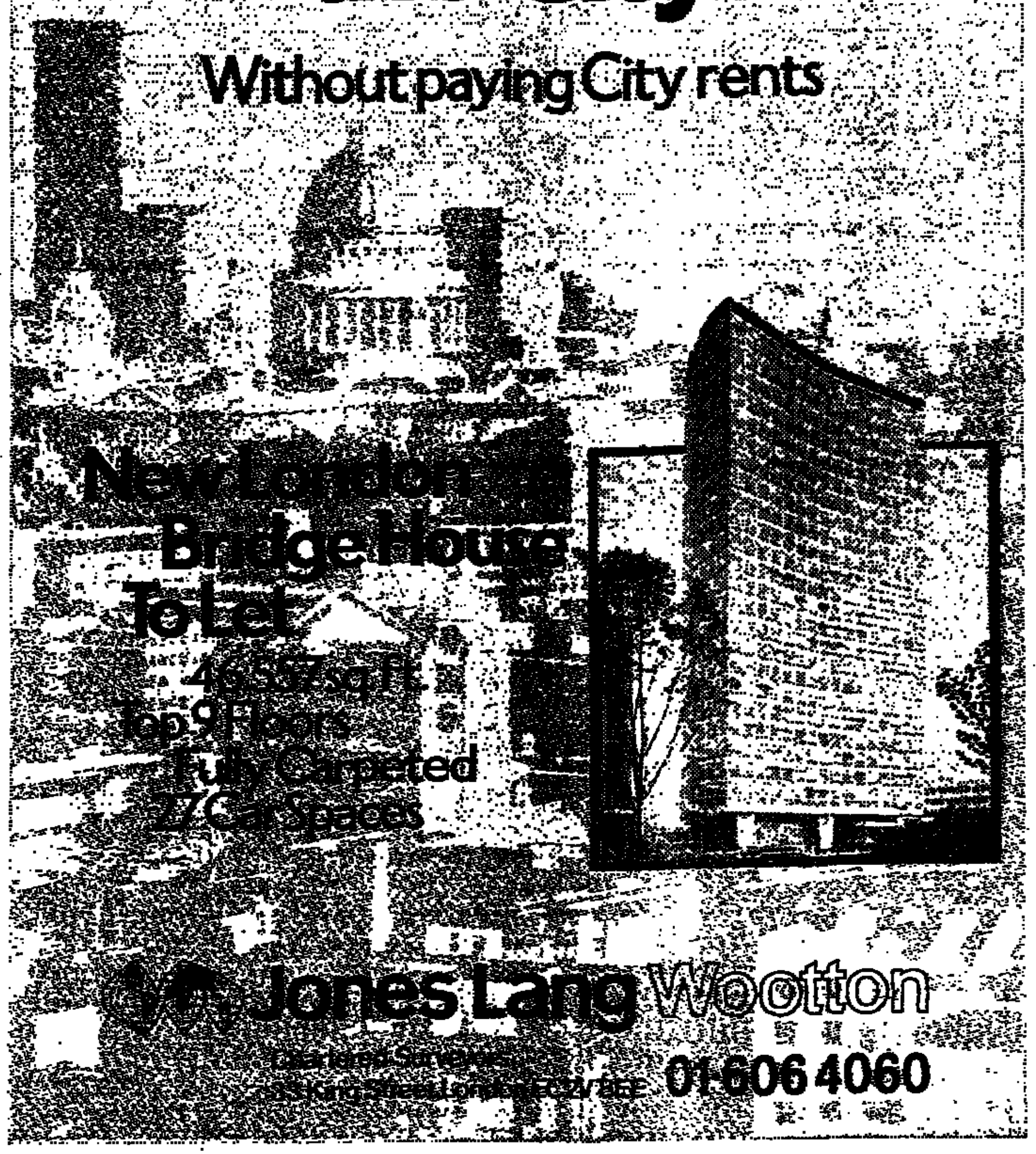

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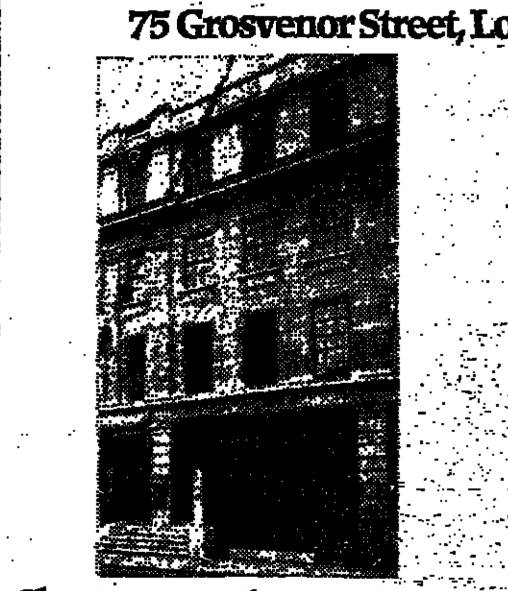

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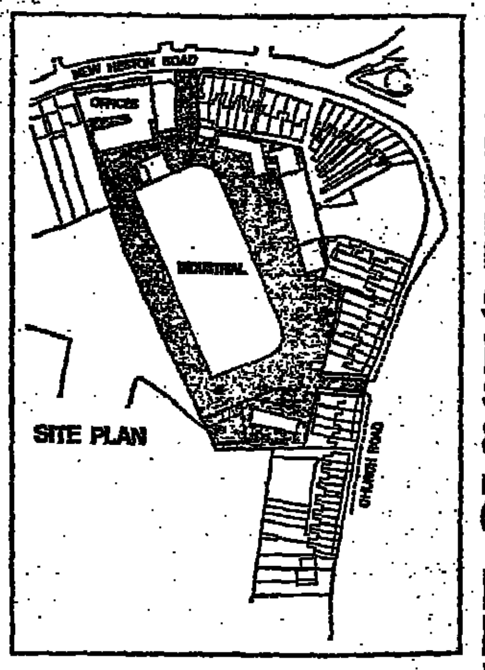

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Experimental generator put to the test

KEY COMPONENT of an advanced superconducting generator has been put through its most severe qualifying test. The 13 ft, 1½ ton rotor was spun at 3,600 rpm while cooled to 452F below zero.

Tests at the GE (USA) Research and Development Centre, Schenectady, New York, confirmed that the experimental generator should be able to produce as much electricity as a conventional generator twice its size and weight. When completed this super-conducting generator will be able to produce 18 Megawatts of power or enough for a community of 20,000 people. Ultimately, it is intended to be subjected to actual operation on a utility grid.

Theoretically, a superconducting generator could operate with only one half the losses of a conventional machine. This increased efficiency results from the fact that certain metals and alloys (such as the niobium-titanium used in this machine) offer no resistance to the flow of electricity and exhibit unique magnetic properties at temperatures close to absolute zero (minus 459F).

Before superconducting machines can be incorporated into an electric power grid, it will have to be shown over years of exhaustive tests that they are as reliable as conventional equipment, and that in no circumstances could there be a danger that the windings might lose superconductivity and explode through overheating.

Several groups in the US and elsewhere are developing large superconducting machines. One crucial challenge has been to prevent the windings from moving since even a microscopic displacement would generate enough heat by friction to degrade their superconducting performance.

The GE solution is a vacuum epoxy-impregnation process which bonds the niobium-titanium superconductors into solid modules.

GE research staff have invented a flow circuit that supplies liquid helium to the spinning rotor and regulates the flow so that the windings are constantly bathed.

Thermal radiation or conductive heat transfer eventually causes this liquid to vaporise, but the helium gas performs a vital function, intercepting most of the heat moving toward the low-temperature region. The gas is returned to a liquefier for recycling.

The stator of the superconducting generator is now under construction. The machine is expected to be ready for its final tests by 1981.

● METALWORKING

Sheet shaped and pierced

SHEET METAL components for domestic appliances, office furniture and so on can be produced from rectangular blanks automatically by the S4 + P4 production centre made in Italy by Salvagnini Transferica s.p.a.

The equipment is computer-controlled and it only requires one operator despite the fact that it carries out several operations, i.e. notching, piercing and bending. Maximum sheet thickness that can be handled is 1.5mm while maximum length and width is 2240mm and 1200mm respectively.

As the equipment's brand name indicates it is made up from two machines: the S4 is a punching machine which has 13 or 23 punching units (depending on the variety of panels to be produced) and the P4 panel bender which can produce bends along the four sides of the panel. It is possible to produce upward or downward bends at angles ranging from 65 to 135 degrees.

The S4 + P4 unit is apparently of greatest use where there is a large variety of panels and where the production requirement is around 100 parts an hour. Details of the equipment can be obtained from Lomir International, Whitchurch, Ross-on-Wye, Herefordshire HR9 6DJ (0600 890777).

● HANDLING

Aids the collection of rubbish

THE DOMESTIC vacuum cleaner often gets put to work on jobs for which it was not designed—collection of large quantities of litter, wood shavings, leaves, broken glass and so on.

Black and Decker has produced a machine to cope with such high volume rubbish collection jobs around the home, in the garage or workshop. The company says it is virtually a 15 ins high dustbin attached to a powerful (525W) suction cleaner and holding up to 18 litres of dry refuse.

The unit has been called the Majorvac and is mounted on a three-wheel trolley. Its container has two sides carrying handles and is fitted with 6 ft of 2¼ ins plastic hose, an extension tube and crevice tool. The motor, which is mounted on the lid, can be set to blow instead of suck.

Black and Decker is at Cannon Lane, Maidenhead, Berks SC6 3PD (062 882 2130).

● INSTRUMENTS

Finds faults as material moves

FLAWS IN moving web or sheet material can be detected and suitable action taken using a solid state electronic line scan camera put on the market by Europa Systems, 16, Keymer Road, Biggin Hill, Kent (Biggin Hill 71165).

The system can be used to detect holes, tears, lumps, discolorations and mis-coatings in paper, glass or plastics film.

The material, suitably illuminated, moves past the camera lens which continuously images it on to a linear array of photo-diodes. An output is generated if a fault is detected which exceeds pre-set limits. When this happens either a tab inserter or a printer can be activated to identify the exact location of the fault: for example, the longitudinal and lateral co-ordinates of the flaw can be printed on to a label which can be attached to a relevant reel. Alternatively, the faulty sheet can be diverted.

There are three versions with 256, 512 and 1024 resolution elements, used according to the type of fault to be detected.

An industrial case measuring 100 x 250 x 360 mm houses the camera.

● DATA PROCESSING

Simple machine takes the strain

MANY PURVEYORS of small business systems claim to have simplified operating routines to such an extent that anyone can sit down at a keyboard and immediately, without any computer training, make use of the equipment.

Experience has, unfortunately proved otherwise for many users and potential users. It is thus most gratifying to be able to report on an enthusiastic first-time user who decided to buy after a few hours' "conversation" with a system and who succeeded in going live over a bank holiday week-end.

Ravina began as a tiny back-room operation to sell a range of fashion accessories in 1968. Ten years later, turnover had risen to £380,000. It doubled in 1978 and will be well over £1m this year.

Headlong growth at 100 per cent a year, greatly expanded export activities and a product line of 3,000 items has been putting the company management under increasing strain for the last three years, particularly as it depends heavily on outworkers and there is a relatively small headquarters staff.

Crucial to the whole operation, however, is reacting quickly to changes in fashion and to large orders placed by big customers to meet these changes. In other words, the tightest control of the stock and ordering positions is essential if the company is not to have to place expensive rush orders and even need to send staff abroad to obtain one or other component for its products.

Norman Davis, managing director and founder of Ravina, for some time had wondered whether a small computer would help solve the major problem of providing up to the minute stock and order figures, combining this activity with invoicing and other essential activities. His marketing director, Rog Duckers, took a brief course at the NCC and although the company was advised that it was too early for it to go for automation, both decided that it would be well worthwhile to organise for computing.

The first step in this direction was to devise and apply a 6-figure coding to every item in the many lines carried, the numbering being chosen in such a way that with a little experience, staff would have a very good idea of colour and product designated.

During the application of the coding, the stock control position was not improving and it was decided to invite a number of computer names to submit proposals. Several did not even bother to reply.

In the end the search narrowed down to two possibilities and the final selection was made by pure chance when Norman Davis went to General Computer Systems in Ealing and was given the opportunity to work at a keyboard on a machine called the Qantel 970.

This is a small cartridge disc-store machine with ability to drive displays and printers.

But it is a menu-driven system which means that anyone can make intelligent use of it, even if—like Davis—they know nothing of computers and have never seen a keyboard at close quarters before.

In this instance, the vendor was fortunate in that the managing director had built up his company from nothing and was thoroughly conversant with all the financial and physical routines.

After a few hours of "play," he decided this was the machine and an order was placed on the spot.

Now, the equipment is being used simultaneously for company control and for the production of reports deriving their basic data from various files held in the machine. The attraction of the Qantel software for senior Ravina staff is the ease with which constantly updated information can be extracted from the equipment and manipulated to produce new analyses. These can be placed in the appropriate menu, if required.

Of course the machine was not ready overnight. The coding information from Ravina had to be fed in as a database, together with the basic data for invoicing, etc. But this was a painless operation since the existing six-figure code was perfectly suitable—not the case for the computers offered by at least one other would-be supplier.

Now, Ravina is carrying out full stock control, sales ledger, sales analyses and job costing and making heavy use of the report generator facility to back management decisions and all on a £23,000 system.

As Davis says, "there must be thousands of small companies like ours who could benefit like we have from the ease of installing and running a Qantel."

General Computer Systems (UK) Orion Park, 226 Northfield Avenue, Ealing, London W13 9GU. 01-579 9401.

Ravina is at 3 Barton Road, Water Eaton Industrial Estate, Bletchley, Milton Keynes. 0908 71888.

Sends the data back to base

DIGITAL WAND equipment to scan bar codes and produce a logic output corresponding to the bars and spaces has been introduced by Hewlett-Packard's components division.

HEDS-3000 offers a rapid, simple data entry method suitable for unskilled personnel with a minimum of training, and will find major applications in portable data entry equipment and microperipherals. Other markets include retail checkout equipment, access and security control, ticket identification and inventory control.

It uses a precision optical sensor of Hewlett-Packard's own manufacture which gives specified, guaranteed operation with all medium-and low-density code formats printed with a minimum narrow-bar width of 0.3mm. The sensor is sealed in a module near the tip of the wand and is protected by a low friction, replaceable tip moulded in ptfe.

A bifurcated precision plastic lens projects visible light (700nm) from an LED emitter on to the sensing plane and focuses the reflected light on to an integrated circuit photo detector.

Signal conditioning circuitry in the wand includes an analogue amplifier and an advanced comparator which takes account of the peak levels in the signal and compensates for amplitude variations. Because of this, bars of less than maximum contrast can be read, including those printed in any colour other than red.

In the interests of low power consumption, the circuitry is only energised when the push-to-read switch is pressed. The positioning of this switch is designed to encourage the operator to hold the wand in the orientation which gives maximum reading sensitivity.

Hewlett-Packard operates from King Street Lane, Winnersh, Wokingham, Berkshire, RG11 5AR. Workingham 784774.

Capabilities are extended

FERRANTI has extended the capabilities of its Argus 700 minicomputer so that Series 2 machines now will run in multiprocessor operations with a two-fold increase in speed at the top of the range.

Argus 700 Series 2 machines are supported in the multiprocessor role by an operating system, designated MSC, directly compatible with the existing series of single processor operating systems.

Ferranti has also included in the new range cache memories for the Argus 700F and G and a local memory for Argus 700F. The cache memory can increase the processing rate by up to 60 per cent with corresponding reductions in the loading of the memory bus.

Following the new moves, between the smallest and the largest arrays in the Argus range, Ferranti has achieved an overall computing power ratio of more than 7:1, the largest having a typical processing rate well in excess of two million instructions per second.

Because all use the same software which is compatible with that of earlier Argus 700s. This flexibility should prove very valuable to OEM's and systems houses who build computers into larger systems of their own design.

Ferranti Computer Systems, Wythenshawe Division, Simonsway, Manchester M22 5LA. 061-499 3355.

Prepares documents

ELECTRONIC DOCUMENT processors which, although ideal for traditional banking/cheque processing requirements, are equally adept at handling commercial documents such as invoices, sales records and insurance premium notices, have been evolved by Burroughs.

S3000 systems can handle automatically the entire task of preparing financial documents and data for high-speed computer processing—a job which currently requires several separate machines and/or clerical operations.

For cheque processing, the first step is to encode the amount in MICR (magnetic ink) characters. Everything else is automatic. The machine reads the MICR characters and records the full data on a tape cassette or mini-disc, in a form that computers can read. The S3000 then endorses the cheque, photographs it on microfilm and sorts it into one of up to 36 destination pockets.

Invoices, insurance premium notices, sales records and many similar business documents are printed with OCR (optical recognition) characters. S3000 systems read and process these documents just as speedily.

Five models are available with a variety of application software packages, to meet many customers requirements.

Burroughs Machines, Heathrow House, Bath Road, Hounslow, Middlesex. 01-759 6522.

● NAVIGATION

Radio eye on 1980 yacht race

EACH OF the craft in the Royal Western/Observer Single-handed Transatlantic Race next year is to carry satellite navigation equipment so that the organisers will know the precise position of each yacht.

Use will be made of the Franco-American Argos system, basically designed for environmental data collection via the Tiros-N satellite.

As the satellite circles the earth once every 101 minutes it perceives all the transmitters within a 3,140 mile circle under it and by fixing times can send data to earth telemetry stations that enables the position of the transmitter to be fixed. Data from the stations is sent to Toulouse for processing and computation and then on to the Royal Western Yacht Club in Plymouth, The Observer and the race end receiving station at Newport, Rhode Island.

Transmitters are said to be relatively simple, weight no more than 6 kg and consume only 300 mW from the boat's supply.

● ELECTRONICS

Company is helped on its way

ELECTRONIC Installations and Equipment, the Lancashire manufacturer of electronic precision weighing machines reports that it has received £295,000 backing from Dawnay, Day and Company and ICFC (Industrial and Commercial Finance Corporation).

Typical of the products made is Compucount, which allows batches of components of whatever size to be counted accurately by weighing. After weighing a sample of known count the unit will then count any batch as soon as it is placed on the machine.

● COMPONENTS

Fastener is easy to fix

A NEW type of impact fastener, which offers advantages in use over conventional plastic anchors, has been added to the range of fasteners from Hilti.

"Hammascrew" is designed for fast and easy, through or countersunk, repetitive fastening of wooden laths and battens, cable trays and trunking, cable clips, display material and items such as name plates.

It consists of a zinc-plated, wide-pitch screw built into a temperature-resistant nylon sleeve which grips by expanding in the hole. This sleeve has a collar which acts as a washer and a crushable section which collapses on impact, ensuring that the object to be fastened is pulled down tight on the base material.

The built-in nylon sleeve insulates the screw in the hole, helping to prevent corrosion, and also eliminates the search for matching screws and plugs. The anchor is set simply by inserting it into a suitably drilled hole and driving in the screw with a sharp hammer blow. The screw and anchor can be removed by using a cross recess screwdriver.

Three diameters are available (5, 6 and 8 mm) for hole depths of between 15 to 30 mm and giving maximum pull out values of 2.84kN in 23N per square mm concrete or 2.67kN in 8.6N per square mm solid brick.

Hilti House, Chester Road, Manchester M16 0GW (Tel. 061-872 5010).

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Michelin's myth comes under pressure

Terry Dodsworth examines whether the French tyre group, with its eccentric management style and its continued strategy of breakneck expansion, is on the right road for the future

MICHELIN, THE French tyre company, is one of the great enigmas of the industrial world. Everyone recognises its tyre-man advertising symbol, and virtually everyone knows that its products have set the technical pace in the industry for as long as can be remembered. But beyond that, little is clear about Michelin, except that it is one of the most eccentric companies to be found anywhere.

Stories abound of its idiosyncrasies, in particular its passion for secrecy. Michelin has gone down in French annals as the company that snubbed General de Gaulle by refusing to let his security guards beyond its front gates. (De Gaulle is said to have got his revenge later by dismissing Michelin's hectoring managing director at an official function with a lofty "go and see Pompidou".) Even well-trusted suppliers rarely see inside the factory, and French journalists can live for years on the capital of one Michelin visit. The mysteries of tyre-making — the different kinds of rubber and wire, the varying temperatures, the fabrication machines themselves — remain so jealously guarded that only a few people know what goes on in all the different parts of a Michelin factory.

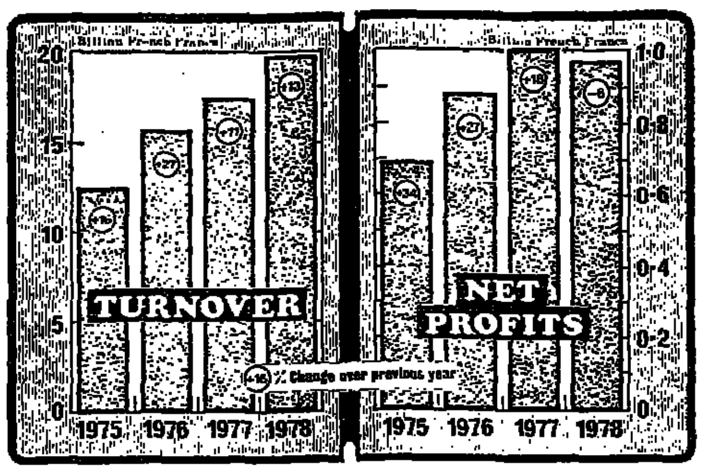
Similarly, its penny-pinching goes beyond all normal bounds. The company headquarters, in Clermont-Ferrand, the industrial centre in the somewhat isolated area of central France, shows no sign of conspicuous expenditure on the management team, which has achieved one of the most brilliantly sustained records in the country's post-war industrial history. Directors work in modest surroundings. There is little spending on status, and one journalist who recently managed to penetrate the fortress said afterwards that he saw a senior manager carefully shaping bits of used wire into paper-clips. It is even claimed that Michelin re-uses all incoming envelopes.

These attitudes stem from a management philosophy which seems to have remained rooted in the 19th century. The Michelin family, still big, though not dominant, shareholders, continues to exercise control through Francois Michelin, the group's pugnacious 53-year-old chairman, who argued in a recent interview that the social security system destroys individual liberty. The Michelins are keenly-practising Catholics who preach self-help as fervently as any Victorian Protestant. They are anti-syndicalist by instinct and paternalistic by practice: after the generous national agreement with the unions, which brought the 1968 riots to an end, Francois Michelin broke with the French employers' organisation for what he considered "treachery."

All these stories add up to a formidable myth—of a company totally sure of itself, deliberately insulated from "decadent" modern trends, extremely tightly run, and determined to pursue its own objectives in its own way. From one point of view, these characteristics look like enormous strengths; but, from another, they could be seen as weaknesses, and occasionally Michelin's shareholders wake up and take this attitude. The company, they then argue, is too blinkered, too heavily invested in the one sector of the motor industry, too dismissive of the trends in international industry.

Factory closures

The Paris Bourse is currently going through one of these spasmodic bouts of re-appraisal. Since the beginning of this year, the Michelin share price has been savaged, cut from a high of FFr 1,220 to FFr 803. Behind this slump lie the problems which are now being encountered in the tyre industry—the wholesale crisis which is leading to heavy losses in many of the world's biggest companies, and causing factory closures virtually everywhere. Michelin, in addition, is believed to be exceptionally vulnerable to the expected decline in car sales because of its failure to diversify; and its massive U.S. investments are now regarded with suspicion because of the unfavourable swing in the dollar/franc parity.



In the face of a world tyre recession, Michelin's profits grew by leaps and bounds—until last year. Now the Bourse is questioning the expansion strategy of the company's pugnacious chairman, Francois Michelin.

But is the Bourse's assessment realistic? In a new study of the company, the investment division of Credit Commercial de France (CCF), the largest of the non-nationalised commercial banks in France, has come to the conclusion that the financial markets are currently failing to take account of Michelin's long-term strengths. These advantages, it argues, are that:

1—The French company has a widely spread product base in its sector, with 60 per cent of its turnover coming from commercial and industrial vehicles. Thus, although its business is totally concentrated on tyres, it is not as dependent on the car industry as most people seem to think.

2—The big hump in its spending on its U.S. programme is now over, and the company is running into a period when its investments should begin bringing in solid returns.

3—Most important, the general crisis in the tyre industry is not a crisis for Michelin. Indeed, the present situation has essentially been produced by the French company itself and its invention of the longer-lasting radial tyre. The radial has inevitably led to world over-capacity because the industry no longer needs to make so many tyres. But Michelin itself, the pace-setter in the technological game, has still been able to increase its sales because it has the product that everybody now wants: it goes into a market, creates a panic among the traditional suppliers, and then picks up the pieces.

This analysis of Michelin's strategy does not emerge from anything the company says. Michelin is not communicative. Indeed, at the last annual meeting, Francois Michelin spent a lot of time explaining to shareholders why, in such a competitive industry, more information could not be given. But the third, technological point goes a long way towards explaining Michelin's remarkable growth in recent years, and its even more unusual ability to maintain high profit and investment levels against the trend in the industry.

The CCF argument also throws a lot of light on Michelin's bizzare management style. The company's position in its industry depends more than anything else on its technological base. This, in turn, is founded on three factors — leadership in research and development, the assurance that these technological skills should not leak out to competitors, and

the maintenance of high standards in putting the products together.

On all of these points, Michelin emerges with flying colours. First, it has a long history of very heavy investment. In the last five years, it has pumped an average of 8.3 per cent of its turnover back into new investment, compared with between 3 and 5.6 per cent among its leading rivals. Research and development alone is reckoned to account for another 3 per cent of turnover. Since its launch of the first radial, Michelin has continued to refine the product and is still reckoned to be ahead of any of its competitors.

Second, Michelin has preserved its position partly by the vigorous control of its own trade secrets. Wherever possible, it has integrated its manufacturing activities in order to keep the knowledge of its own way of doing things to itself. Thus, it grows its own rubber, makes most of its own machines, and has even been known to buy up a software company to prepare its computer programmes.

Thirdly, the patriarchal family style of management has been used to maintain a high degree of control over both the workforce and production quality. In this context, Michelin's stress on the importance of maintaining the established traditions of what it calls "La Maison" makes sense. The big technical difficulty in tyre manufacturing is to maintain quality in mass production—the industry is littered with examples of companies, such as Firestone this year, which have had to recall tyres—and Michelin believes that this can best be done by inspiring the old-fashioned virtues of loyalty, pride in the job, and a strong sense of community. In the U.S., for example, it has clearly concentrated its investment in relatively remote areas, where there are no strong union movements.

Michelin's expansion in the U.S. provides a classic illustration of the way its technological expertise is put to work commercially. Here was a market with plenty of tyre-making capacity, and the most powerful manufacturers — Goodyear, Firestone, Uniroyal, Goodrich— in the world. But it was also technically backwards, still based on the crossply techniques. This gave Michelin its chance. In the early 1970s, it began to move in and provoked the big switch to radials.

Fight to the death

The U.S. industry now shows all the stresses which derive from a market going through a period of rapid technological change. As the switch to radials accelerates, the over-capacity in the industry is becoming more and more obvious. Factories are closing down, companies losing money, and the giants are diversifying wherever they can: "This is going to be a fight to the death," said the head of Uniroyal recently.

Michelin still has only 5 to 6 per cent of the U.S. market, much of it concentrated on the commercial vehicle sector. But its massive $600m investment has now jockeyed it into a position where it can compete on a world scale with its equally internationalised competitors.

According to the CCF figures, Michelin has now pushed into the second position in the international league of tyre producers, with a 10 per cent share of the Western world's market, compared with Goodyear's 11.5 per cent and Firestone's 9 per cent. It has a dominant position in Europe, with more than 60 per cent in France, 30 in West Germany, 35 in Italy, and 24 in the UK. Nor is the growth over: Michelin is pushing with direct sales into Japan, investing in Brazil, expanding in Nigeria, and planning a factory in Egypt.

Doubts will continue, of course, about the pace of this growth. Last year, Michelin's net profit fell by 6 per cent to FFr 973m (£112m), after years of fairly spectacular increases, and the decline of the dollar this year continues to create anxiety about the return of the U.S. investment. But the prudent financial management at Clermont-Ferrand has kept the basic ratios in good order. Interest payments may have gone up from FFr 309m in 1974 to FFr 735m in 1978; but in the same period the debt/equity ratio has actually been reduced from 43 per cent to 36 per cent, and return on capital has amounted to an average annual rate of 13.5 per cent.

The effects of the growth on Michelin's management style are more difficult to gauge. Can the company remain so fiercely devoted to its one sector, when virtually all its competitors are diversifying? Can it maintain its technical lead? Will it have enough management depth to control world-wide expansion? Who will emerge, after Francois Michelin, to lead the group?

All these are questions without ready answers. All that is clear is that Michelin remains a company living under the aura of the family and the deeply-impregnated traditions of almost a century of work at Clermont-Ferrand. In the words of a Michelin manager: "The day this company moves out of these walls it will lose its soul."

Exploiting currency freedom

TO THE opening strains of "Land of Hope and Glory," accompanied by a slide show of bank notes bursting free from their chains, First National Bank of Chicago hosted a slick London seminar last week to explain to corporate treasurers the implications of exchange control abolition. The message was that companies still have a lot to learn about ways to exploit their new found freedom.

Bank executives presented a stream of suggestions for improving companies' profitability in the field of foreign exchange management. One speaker particularly recommended that companies make advance payments for imports from hard currency countries such as West Germany and Switzerland. This would allow them to save money by taking advantage of pay-early discounts offered by many manufacturers. Buying strong currencies in advance could also save the exchange losses which would ensue if sterling subsequently fell against the D-mark or Swiss franc.

Exposure

First Chicago did not spell out the full implications — but such commercial leading and lagging could be a considerable source of pressure on sterling this winter.

Treasurers will also have to learn to switch between different currencies to make better use of foreign borrowing, and to increase their use of foreign exchange forward markets to cover future currency exposure.

Groups with overseas subsidiaries may also be enticed into setting up London-based "currency management centres" to centralise pay-and-receive accounts for all group companies. These centres would handle all the group's borrowing and repayment operations and manage excess liquidity.

Arbitrage

First Chicago executives pointed out that treasurers should make use of the present differential between Euro-sterling interest rates and domestic sterling interest rates by depositing sterling in foreign banking centres rather than London. This sort of arbitrage would eventually close the interest rate gap, and allow banks in Paris, Amsterdam or Zurich to make sterling loans—back to the UK or anywhere else in the world—at the same interest rates as in London, but entirely free of Bank of England "corset" controls.

The Bank may not, however, have to worry too much that companies will help the banks get around the corset. One bank economist confided that the average treasurer at a medium sized British company was too conservative to deposit sterling anywhere as outlandish as Paris —for fear that the funds would be blocked by the introduction of exchange controls abroad.

David Marsh

Management abstracts

These summaries are condensed from the journals of abstracts published by Anbar Management Publications. Readers wishing to consult original texts should write to: PO Box 23, Wembley HA9 8DJ.

Learning at the Workplace. D. Gottschall in Manager Magazin (Fed. Rep. of Germany), Feb. 79: p 86 (5 pages, illus.; in German, English version available)

Worry about worker motivation (caused, inter alia, by proliferation of specialists and the large-scale employment of foreign "guest" workers) has caused Hoechst, the chemical manufacturers, to experiment with learning (discussion) groups on the shop floor. Reports on progress to date.

The Role of the Production Manager. V. Prabhu and J. Russell in Production Engineer (UK), May 79: p 27 (four pages, tables)

Reports on a survey of the responsibilities and attitudes of some 300 production chiefs in the north-east of England; tabulates the functions they control against size of company, the factors in their jobs they regard as important, and the training methods they employ; discusses implications.

Music in the Workplace. A. J. Scott in Work and People (Australia), Vol 4 No 1/2: p 20 (2½ pages)

Traces the history of music at work, discusses its function in increasing operator alertness, and presents selective research findings.

Added Value: the Fashionable Choice. M. F. Morley in The Accountant's Magazine (Scotland), June 79: p. 234 (3 pages, tables)

Explains how the traditional accounting format can be converted into an added value statement, and how the added value concept can be used as the basis for an incentive scheme; concludes that the current fashion for added value is well justified.

Obstacles to Success in Word Processing. E. R. Smith in Administrative Management (U.S.), Feb 79: p. 49 (2½ pages)

Explores why some centralised word processing installations failed through not recognising user department needs, and because of a reduction in the job satisfaction of the secretaries who became administrative support assistants: examines alternative approaches.

Accounting in Japan. B. Dale in The Australian Accountant (Australia), April 79: p. 150 (4 pages)

Traces the development of accounting in Japan (pointing to the U.S. influence in the post-war years); explains the legal background to company accounting and auditing, and touches on the role of management accounting.

LOMBARD

A guide for palace plotters

BY HUGH O'SHAUGHNESSY

"WHAT I DON'T understand is how this *colonel* could have brought down the government in Bolivia. I mean, aren't there any *generals* or anything?", the Chief Domestic Leader Writer murmured to me in a puzzled fashion the other day. Now, I thought to myself, if the simple technicalities of an ordinary Latin American military coup have escaped the subtle mind of the Chief Domestic Leader Writer many readers must also be in the dark.

With this thought in mind therefore I offer the following FT readers' brief guide to palace revolution. (Members of the armed forces of countries within the EEC are kindly asked to read no farther and to pass, say, to our section on cocoa futures which they will find fascinating reading elsewhere in this edition.)

Command

Civilian constitutions and military chains of command in Latin America are fragile things. So the guiding principle for any aspiring military president, whatever his present rank, is Command of Troops or as the Latin Americans would say "*mando de tropa*." Those who have Command of Troops, *be they no more than majors*, have an enormous advantage over those who do not, however exalted the latters' rank may be. A company of hardened veterans at one's command, it should be remembered, is worth more to the aspiring officer than any number of secret files about field hospitals or the neighbouring country's line of battle.

The officer with Command of Troops should attempt to secure his position by reminding his subordinate commanders that if he wins he will be in a position to cashier all those senior generals and therefore give immediate access to the ladder of promotion to those who are loyal to him. Depending on the country and the circumstance he should remind his subordinates either that it is within the plotters' power to cleanse the fatherland of corrupt senior officers and inaugurate an era of peace and progress for all or that they will have an unrepeatable opportunity to get their fair share of profits from narcotics and the import duty-free of Japanese electronic calculators.

The aspiring military president should always make sure that he has a sufficiency of that sap of life, petrol. Any shortage of petrol can of course be overcome simply for a small strike force by rumbling thirsty tanks into the nearest civilian petrol station. In 1973 one small armoured force in Chile with low fuel gauges did stop on their way to the presidential palace to put a tiger in their tank, so to speak. But this was looked on as unprofessional and the coup failed. Control of petrol could be said to be the civilians' answer to Command of Troops.

This was vividly illustrated for me by a wise minister of the interior in a Latin American country which shall be nameless when he replied to my question about fears of a military coup. "What you don't realise," he said, "is that our army has an effective operating range of 50 kms or about two hours." As most armoured regiments of this particular country were stationed 75 kms from the capital he was clearly less worried than he might have been.

Flexibility and political suppleness are also demanded for to-day's palace revolutionaries. *Take Colonel Natusch in Bolivia* this month. When he came to power on November 1 he said he would keep Congress open. Surprised by the strength of popular reaction to his attempted coup he decided to close Congress. Then, not having cowed the populace with this draconian move, he reopened congress—all the while doing his best to prevent enough members arriving to give a quorum.

But if he is finally overcome by the odds the palace revolutionary must make sure that he has sympathetic brothers-in-arms to catch him when he falls.

Once a failed military plotter has done his usually short term in detention he may well be able to look forward to an embassy in some pleasant foreign capital.

The masters of the embassy gambit, I feel, are those who make their plotting so ostentatious in their own countries that they are packed off to be ambassador *before* rather than *after* their coups.

AROUND BRITAIN

PERTH

Taking risks

ERIC SHORT

MOST PEOPLE who have seen Perth did so on their way to the Highlands or the Hebrides. They found a pleasant market town on the banks of the Tay, nestling in the foothills of the Scottish mountains. Yet apart from the distinctively Scottish industry one might expect to find in this town of 44,000 some 450 miles from London—two whisky concerns, John Dewar and Sons and Arthur Bell and Sons are there—Perth houses the headquarters of one of the leading British composite insurance concerns, the General Accident Fire and Life Assurance Company.

Outside the central industrial belt and the oil-based operations on the east coast, the industries most commonly associated with Scotland are distilleries, tourism and agriculture. The financial centres are at Edinburgh and Glasgow, where the famous Scottish life companies are located. General Accident being in Perth seems incongruous—even more so since its main life operations are at York.

The company is the only general insurance company left operating from Scotland. The North British and Mercantile Insurance Company, based in Edinburgh, and the Northern Assurance, in Aberdeen, have been taken over by the Commercial Union and have disappeared from the Scottish scene.

The origins of General Accident go back to 1885, so it is comparatively young as composite groups go. Sun Alliance, for instance, can trace its history to 1710. In 1885, a varied group of Perth businessmen got together and formed an insurance company to meet their needs arising from the employer liability laws that had recently been passed. They apparently preferred to have the insurance handled locally and under their control, rather than entrust it to a distant London company or even one of the then existing Scottish companies.

Expertise

Two years later the founders realised that running an insurance company needed a special type of business expertise and they engaged Mr. Francis Norie-Miller (later Sir Francis). It was an inspired move. Within two months he had established business contacts in the major British cities. By the outbreak of the First World War, General Accident was operating worldwide. This drive was carried on in due course by his son, Stanley, also knighted later on.

Although the original aim was employer's liability insurance, it now forms only a minor part of the group's general insurance portfolio. The company is the largest motor insurer in the UK, thanks to the foresight of Sir Francis, who early appreciated the potential of this market; it is the fourth largest UK insurance group, operating in 50 countries; and the largest non-life insurer in the UK.

It has achieved this, without being situated in London, by taking broad policy decisions in Perth and then giving its eight area managers a fair degree of autonomy. The London area has special importance, with considerable underwriting freedom, since many of the major insurance risks are placed by insurance brokers in the City.

But all investment decisions are taken in Perth. The company feels that it can take a detached view of investment conditions for the City of London. It can act quickly if necessary, thanks to the marvels of modern communications.

A major composite needs to keep in close contact with the leading insurance brokers if it is to keep abreast of current developments. This does not cause any problems. General Accident is constantly visited by brokers who take the opportunity of combining business and pleasure. *Perth can be* visited from London in a day at a push. But the nearness of the Highlands and the attractions of four golf courses nearby (Gleneagles is just down the road) argue for a long weekend.

General Accident still occupies the original building on the banks of the Tay where it started, but the building now houses a company museum. The company has overflowed into seven buildings in Perth which has created so much pressure that the group is planning to spend £15m on a head office complex.

The company's importance to the town cannot be overstated for it is the largest employer with 1,100 people on the payroll. It has no problems recruiting people locally or from other parts of Scotland. The present general manager, Mr. David Blaikie, joined GA as a boy from Edinburgh, while Mr. Buchan Marshall, the deputy general manager, hails from Glasgow.

Both Norie-Millers were prominent in the life of Perth. Both were freemen of the City. GA has reciprocated by donating a riverside walk, named the Norie-Miller walk—to Perth.

Perth has many historical associations. The kings of Scotland were crowned at nearby Scone Abbey. James I was murdered in Perth. The city has also played its part in the establishment of the modern distilling industry. John Dewar established his company, now part of the Distillers Group, in 1846. He came to Perth from Aberfeldy. John Dewar and Sons is the second largest employer in Perth and has its bottling plant there. It employs between 750-850 staff, mostly women, producing 70m bottles annually.

Perth has good road and rail communications with both east and west coast ports. It has been refered to as the Crewe of Scotland.

Arthur Bell and Sons, established in 1825 is still an independent. However, both its distilleries and bottling plants are now elsewhere in Scotland.

It was the company's founder's wish to help the ordinary folk of Perth. The many projects undertaken as a result include housing for the elderly and the infirmed. But special attention has been devoted to the provision and support of sports—hence the Bell's Sports Centre.

Amid the bustle of modern industry and commerce, Perth continues with its traditional industries. It is still a thriving market town, with regular cattle auctions, including those for the famous Aberdeen Angus. These attract buyers from all over the world. The City, with its associations with the Fair Maid, is a centre for the antique industry in Scotland. Its 30 antique shops attract regular visits form the big London buyers. And the Festival of the Arts is second only to Edinburgh in the Scottish Arts calendar.

Mr. David Blaikie (left), GA's chief general manager, and Mr. Buchan Marshall, his deputy.

Ashley Ashwood

An outstanding card at Ascot

RACING

BY DOMINIC WIGAN

ASCOT this afternoon stages by far the most significant day's racing of the National Hunt season to date. Among those in action at the country's premier dual-purpose course are Kybo, Drusus, Connaught Ranger, Cavity Hunter and Silver Buck.

My idea of the best race here is the Hurst Park Novices' Chase, in which Drusus—"the most natural jumper I have ever schooled," says trainer Fred Rimell—takes on the four-times course winner Kybo.

It should be a fascinating clash, with accuracy and speed in jumping proving the decisive factor.

Although Drusus had only a modestly successful campaign last season compared with Kybo, his two races to date this term suggests that a number of valuable prizes are now within his reach. The facile winner of an Embassy Premier Chase Qualifier here on October 31, Drusus went on to toy with Jim Dandy and market rival Big Ben in Cheltenham's Coventry Novices' Chase. On both occasions his jumping confirmed the validity of the Kinnersley handler's remarks, for it was near faultless.

Kybo, who was going menacingly well when crumpling at the bottom of the hill in Cheltenham's Champion Hurdle, had every excuse when failing to pull back Betton Gorse in Lingfield's British Cargo Airlines Novices' Chase on Guy Fawkes' Day.

There should be little between Drusus and Kybo this afternoon. Nevertheless, I shall be disappointed if the speed of Gifford's course specialist does not prove decisive between the final two fences.

Ten runners are due to take their chance in the Kirk and Kirk Hurdle, and here again, another who featured prominently in top-class hurdle races last season, Connaught Ranger, may take the prize. On his only previous run this season, Connaught Ranger failed to get into his stride sufficiently fast to peg back Freight Forwarder in Kempton's Elton John Hurdle.

ASCOT

1.00—Night Watch*
1.35—Kybo***
2.05—Zarzaitine
2.35—Connaught Ranger
3.05—Cavity Hunter**
3.40—Killer Shark

TV Radio

† Indicates programmes in black and white

BBC 1

9.05 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Camberwick Green. 2.02 For Schools, Colleges. 3.20 Pobol y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Maxidog. 4.25 Jackanoray. 4.40 Hong Kong Phooey. 4.55 Crackerjack. 5.35 Paddington.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Are You Being Served?
7.30 Sykes.
8.05 Penmarric.
9.00 News.
9.25 Pearl.
10.55 Points of View (London and South East only).
†11.00 The Jack Benny Show.
11.25 Regional, National News.
11.30 The Late Film: "The Little Hut," starring Ava Gardner, Stewart Granger and David Niven.

All Regions as BBC-1 except at the following times:—

Scotland—9.25-9.45 and 11.00-11.20 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.55 Spectrum. 11.25-11.30 Regional, National News.

Wales—1.45-2.00 pm Y Cowboi Bach. 2.02-2.22 I Ysgolion. 5.55-6.20 Wales Today. 7.00-7.30 Heddiw. 10.55 Week in week out. 11.45 News for Wales. 11.46 The Rockford Files. 12.35 am Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.55 Make Mine Country. 11.25-11.30 Regional, National News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.55-11.25 East (Norwich) Home in England; Midlands (Birmingham) Midlands Tonight; North (Leeds) Close-up North; North East (Newcastle) Coast to Coast; North West (Manchester) Home Ground; South (Southampton) It's Your Bid; South West (Plymouth) Jazz at the Sportsmans; West (Bristol) Razzle Dazzle.

BBC 2

11.00 am Play School (As BBC-1 3.55 pm).
1.25 pm Racing from Ascot.
3.20 Tennis: Benson & Hedges Championships.
†5.40 Flash Gordon's Trip To Mars.
6.00 Monkey.
6.45 Animation at Cambridge.
7.00 Step This Way.
7.25 Mid-Evening News.
7.35 In The Country.
8.05 Tennis: Benson & Hedges Championships.
9.00 "East Of Eden," starring James Dean.
10.50 Late News.
11.05 Friday Night . . . Saturday Morning. The Cambridge Footlights and Peter Cook.
12.05 am Closedown reading.

LONDON

9.30 am Schools Programmes. 12.00 The Learning Tree. 12.10 pm Stepping Stones. 12.30 Emmerdale Farm. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Simply Sewing. 2.00 Afternoon plus. 2.45 Friday Matinee: Lanigan's Rabbi. 4.15 The Feathered Serpent. 4.45 Magpie. 5.15 The Brady Bunch.

5.45 News.
6.00 Thames News.
6.30 Thames Sport.
7.00 The Muppet Show.
7.30 3—2—1.
8.30 Cannon and Ball.
9.00 Brian Moore meets Kevin Keegan.
10.00 News.
10.30 Soap.
11.00 The Do-Gooders.
11.45 Vegas.
12.45 am Close: Personal choice with Sydney Tafler.

All IBA Regions as London except *at the following times:—*

ANGLIA

1.25 pm Anglia News. 2.45 Friday Film Matinee: "The Girl Who Couldn't Say No," starring George Segal. 5.15 Bailey's Bird. 6.00 About Anglia. 10.30 Probe. 11.00 Friday Late Film: "The Virgin Queen," starring Bette Davis. 12.35 am Your Music at Night.

BORDER

1.20 pm Border News. 2.45 Matinee: "The Imposter." 5.15 Bailey's Bird. 6.00 Lookaround Friday. 6.30 Mr. and Mrs. 10.30 Look Who's Talking. 11.00 Late Film: "Frogs." 12.35 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 2.45 The Friday Matinee: "Lucas Tanner." 5.15 Rocket Robin Hood. 6.00 Report at Six. 6.35 In Search of . . . Fire Walkers. 10.28 Channel Late News. 10.32 Chimley Corner. 10.55 Late Night Movie: "The Amorous Prawn." 12.25 am News and Weather in French.

GRAMPIAN

9.20 am First Thing. 1.20 pm Grampian News Headlines. †2.45 The Friday Matinee: "Blue Murder at St. Trinian's"—starring Terry-Thomas, George Cole and Joyce Grenfell. 5.15 Superbox 6.00 Grampian Today. 6.30 Sportscall. 10.30 Points North. 11.30 Streets of San Francisco. 12.25 am Reflections. 12.30 Grampian Late Night Headlines and Road Report.

GRANADA

1.20 pm Granada Reports. 2.00 Friday *Matinee: "The Left Hand of God,"* starring Humphrey Bogart. 3.40 Carton. 3.45 The Amazing World of Kreskin. 5.15 Mr. and Mrs. 6.00 Granada Reports. 6.30 Kick Off. 10.30 Clapperboard North West. †11.00 The *Friday Film: "The Slender Thread,"* starring Sidney Poitier, Anne Bancroft and Telly Savalas.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.45 The Friday Matinee: "Let's Switch." 5.15 Makin' It. 6.00 Report West. 6.15 Report Wales. 6.30 Barney Miller. 10.35 Report Extra. 11.05 The Late Film: "Fragment of Fear."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau *Newyddion Y Dydd.* 4.15-4.45 *Noddfa Annisgwyl.* 6.0-6.15 *Y Dydd.* 10.35 Oh No, It's Selwyn Froggitt! 11.05 The Late Film: "Fragment of Fear."

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West. 11.35 Side Street.

SCOTTISH

1.25 pm News and Road and Weather. 2.45 Friday Matinee: "The Specialist," starring Richard Quine. 5.15 Mr. and Mrs. 6.00 Scotland Today. 6.30 Talking Scots. 10.30 Ways and Means. 11.00 Late Call. 11.05 Friday Night Movie: "Force Five."

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 General Hospital. 5.15 Mr. and Mrs. 6.00 Day By Day. 6.00 Scene South East (South East area only). 6.30 Cabbages and Kings. 10.30 Southern News Extra. 10.35 Talking Bikes. 11.05 Soap. 11.35 The Late Late Show: "Summer Paradise."

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. †2.45 Friday Matinee: "The Clairvoyant." 5.15 Makin' It. 6.00 Northern Life. 6.25 Sportstime. †10.30 The Friday Night Film: "Foreign Correspondent." 12.40 am Epilogue.

ULSTER

1.20 pm Lunchtime. 2.45 Friday Matinee: "So Long at the Fair," starring Jean Simmons and Dirk Bogarde. 4.13 Ulster News Headlines. 5.15 Mr. and Mrs. 6.00 Good Evening Ulster. 10.30 Sportscast. 11.00 Friday night. 11.05 Friday Film. 12.20 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 The Friday Matinee: "Lucas Tanner." 5.15 Rocket Robin Hood. 6.00 Westward Diary. 6.35 The Weekend Show. 10.32 Westward Late News. 10.36 Chimley Corner. 10.55 Late Night Movie: "The Amorous Prawn," starring Ian Carmichael and Joan Greenwood. 12.25 am Faith For Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 2.45 Friday Film Matinee: "Check Point," starring Anthony Steel and Stanley Baker. 5.15 University Challenge. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Sport. 10.30 Soap. 11.00 Tonight's Detective: "Gumshoe," starring Albert Finney.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92.95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

(S) Stereophonic broadcast
‡ Medium wave

RADIO 1

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 6.31 Roundtable. 8.00 Al Matthews. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.05 pm BBC Northern Symphony 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). [illegible] Sports Desk. 7.02 Hello Cheeky (S). 7.30 Fiesta de Dorita (S). [illegible] Fox conducts the BBC Radio Orchestra (S). 9.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Jim Macleod and his Band. 11.02 Sports Desk. 11.06 Brian Matthew with Round Midnight, including 12.00 News and 12.02 am Sports Desk. 2.02-5.00 You and the Night and the Music with Tim Gudgin (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture concert, part 1 (S). 8.00 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Rameau (S). 10.00 BBC Northern Ireland Orchestra (S). 10.45 Songs by Hugo Wolf (S). 11.45 Shostakovich (S). 12.05 pm BBC Northern Symphony Orchestra concert, part 1 (S). 1.00 News. 1.05 BBC Northern SO, part 2 (S). 2.05 The Arts Worldwide. 2.25 The World's Greatest Jazz Musicians (S). 3.25 John McCabe, piano recital (S). 4.25 Comparing Notes (S). 5.25 Homeward Bound (S) including 5.45-5.50 News. 6.15 At Home (S). 7.10 One Pair of Ears. 7.25 Play it Again. 7.30 Vermeer String Quartet, part 1 (S). 8.25 Changing Qualities of Chinese Life. 8.45 Vermeer Quartet, part 2 (S). 9.30 Thermos Flasks (story). 10.00 Chicago Symphony Orchestra (S). 10.50 Music In Our Time by Hungarian composers (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Desert Island Discs. 9.45 Enquire Within. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Prester John. 11.00 News. 11.05 You, the Jury. 11.50 Poetry Please! 12.00 News. 12.02 pm You and Yours. 12.27 My Word! (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour from Bristol. 3.00 News. 3.02 Listen With Mother. 3.15 An Alternative to Suicide (S). 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile of George Martin. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Just Before Midnight. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

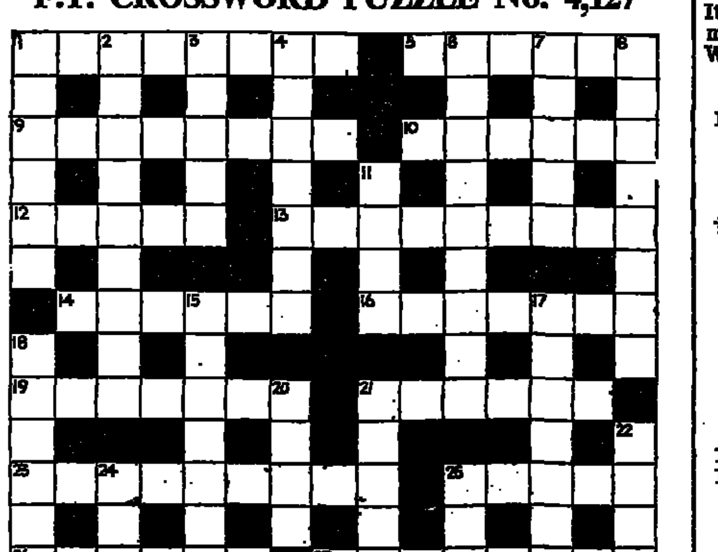
London Broadcasting

6.00 AM with Bob Holness and Doug Cameron. 10.00 The Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's 3 o'clock Call. 4.00 LBC Reports. 8.00 After Eight Special. 9.00 Nightline. 12.00 LBC Reports Midnight. 12.30 am Decision Makers. 1.00 Night Extra. 4.00 Our Kind of Town. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Party Pieces (S). 7.45 Anna Ford's Tod Sloan—How to Form Your Own Political Party (S). 9.00 Nicky Horne's Mummy's Weekly (S). 11.00 Mike Allen's Late Show (S). 2.00 am John Sachs's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,127



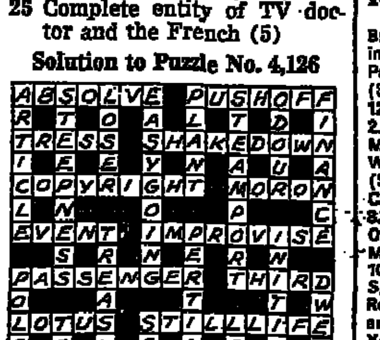
ACROSS

1 Put squeeze on company with thousand papers (8)
5 Boring curtsy from Eton landlubber (3-3)
9 About this time donkey became famous (8)
10 Bill on leave free from responsibility (6)
12 Comfortable copper is retiring (5)
13 Cold water country queen gets from N. Atlantic national (9)
14 Arms contractor (6)
16 Comfortable feeling on board acquired in the main by members (3,4)
19 Invigorated by fashion editor and raised (5,2)
21 Diversion of French expedition (6)
23 Agreement by which number one briefly returns the instrument (9)
25 Seize a point before the others (5)
26 Which person going to party is heard to bring bad luck? (6)
27 Car takes mother thanks to the robots (8)
28 Subscription girl returns to chaperon (6)
29 Minister always found in Split (8)

DOWN

1 Scoundrel has a heartless cry in junior ministry (6)
2 Looks like a dash to f[illegible] away indicator (5,4)
3 Disorderly word altered by youth leader (5)
4 Coin's given to group (7)
6 Unique people run in different lanes (4,5)
7 Obliged to jump (5)
8 Objection to lock on building supporter (8)
11 Student to notice turning over sediment (4)
15 Duck under bed cover (9)
17 Specify early starter good at maths (9)
18 Man from embassy Danish leader joined (8)
20 Settled with parent? I would (4)
21 Study true distortion of teeth (7)
22 Street goes right and comes to the seashore (6)
24 Made a selection from a large number of stockings (5)
25 Complete entity of TV doctor and the French (5)

Solution to Puzzle No. 4,126



هكذا من الأول

THE ARTS

Covent Garden

Diaghilev programme

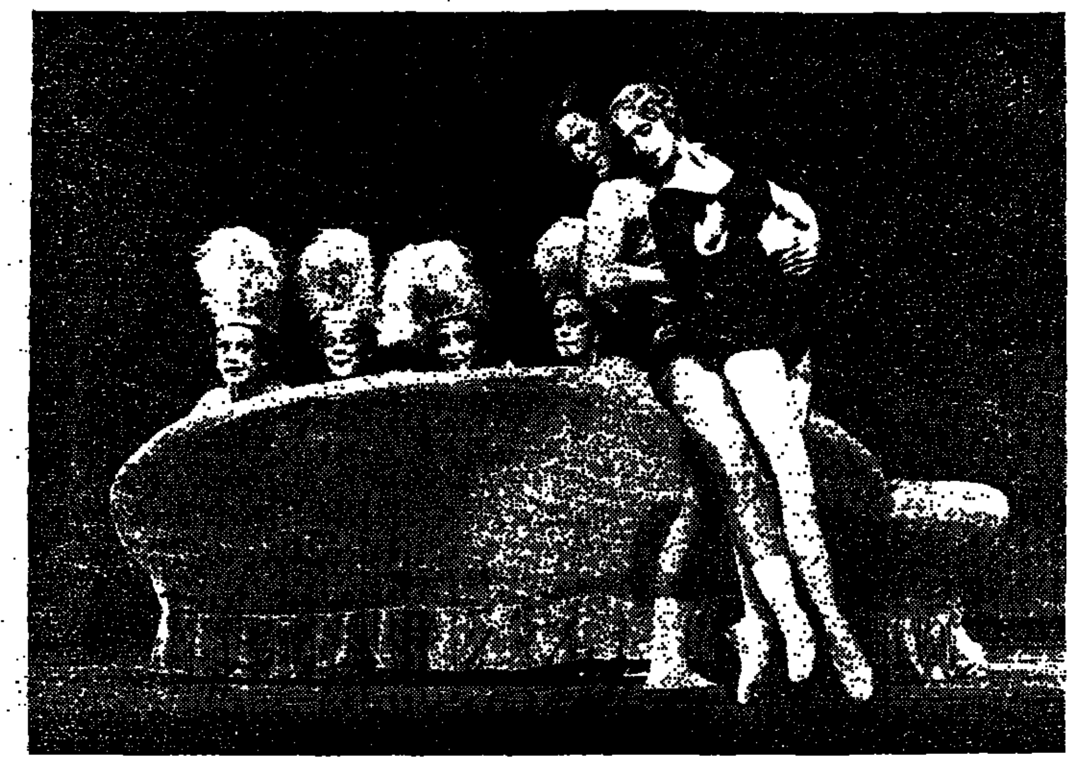
by CLEMENT CRISP

Fifty years after his death, and the immediate demise of the company he directed, Diaghilev still challenges our *understanding of theatrical* dancing; and the ballets he presented still challenge our dancers. The Royal Ballet's tribute to Diaghilev takes the form of a triple bill, shown on Wednesday, comprising *Les Sylphides*, *Les Biches* and *Les Noces*. All are repertory works, and too little effort has been made to provide a more searching—and more generous—homage to the ideals of the Ballet Russe, but we *must* be thankful that the evening contained three masterworks which need no special pleading about their historical, rather than actual, importance.

Les Sylphides and *Les Biches* make intriguing pairing: the later work is accurately to be considered the *Sylphides* of the 1920s. It is as delicate in atmosphere, as difficult to bring off, as Fokine's early masterpiece, and as redolent of an age. But instead of demurely airy sylphs, we have the brightest of young things; the poet has been replaced by three muscle-men; romanticism has become corrupt, worldly.

Wednesday's performance of *Biches* did not do it full justice. The evolutions of the pink-dressed nymphs were ragged; the searching demands of the *choreography—difficult technically* and stylistically—were only fully met by Jennifer Penney as the *garçonne* in the blue tunic, and by Alfreda Thorogood and Wendy Ellis as the two nervously amorous young friends in grey. Miss Penney caught exactly the ambiguities of her role, and her coolness of manner could with advantage be emulated by other members of the cast.

In *Sylphides* she was also a dulcet ballerina of the grande valse; her companions gave *decorous, well-mannered* if rather bland interpretations. It was the resonant performance of *Les Noces*, that piercing evocation of peasant behaviour, which showed the proper measure of its text. Musically alert, idiomatic under Ashley Lawrence; technically precise in *every rhythm and accent of the* Nijinska choreography; excellently rehearsed; the revival did entire honour to one of the greatest of Russian ballets. We could see how much we still owe to Diaghilev as innovator, catalyst, founding-father of 20th century ballet.



Leonard Burt

David Wall and Jennifer Penney in 'Les Biches'

Cottesloe

Lark Rise to Candleford

Keith Dewhurst's adaptation of Flora Thompson's *Lark Rise* we have seen already, and very good it is to see it back. It is a pretty and sensitive picture of Oxfordshire village life in the 1890s, as it moved around the Timms family. Laura Timms is an autobiographical portrait of Flora. Her family consists of father, mother and little *brother, and there is no coherent* narrative in the goings-on that surrounds them, only a series of incidents as they would have appeared to a 12-year-old child.

We have the harvesters reaping the fields with traditional country embellishments; the antics of villagers old and young; the gossip of women at their doorsteps and of men in the pub. There is a pathetic moment where a doctor comes to fetch a senile old man away to the workhouse. There are children's games and country dances. The villagers of Lark *Rise are very poor; but neither* in the book nor the play is poverty allowed to interfere with the happiness of the people. Happiness finds its own level in any community; it is probably more endemic among the Kalahari bushmen than the millionaires of the Emerald Coast.

Candleford continues the picture that was left with the evensong that closes *Lark Rise*. (There is a momentary time-warp at which the Rector reads out the name of those who die in World War One: they include *Laura's little brother Edmund.*) Laura, now 14, becomes a clerk in the post office run by her cousin Dorcas Lane, who is mainly concerned with running the smithy at Candleford Green. The play runs on the same lines as the other, though it is more often ornamented with songs that do not quite fit into the rustic setting. I found it less absorbing than *Lark Rise*, chiefly because so much of the action is concentrated in the post office and the next-door cottage where Dorcas lives.

This is a disadvantage in Bill Bryden and Sebastian Graham-Jones's production, where the action takes place all over a big stage from which the audience also may view the proceedings, dodging out of the way if ever the players impinge on them. (Bath-night in the barn must give some of *them the most intimate full* frontals yet seen in the theatre.) When so much happens in the enclosed spaces at one end, only a small proportion of the onlookers can get a decent view. I saw from my seat in the balcony how many of them at the back of the crowd gave up trying and waited for a scene nearer their area of the stage.

And while I am finding fault, I must mention the music. With *great pains a true Victorian* country atmosphere is created. In such a circumstance, electronically amplified music, either for voices or instruments, kills the illusion at once. Our hair is just about to stand on end as little Martha goes to cut the witch-elm and see if it bleeds human blood when there is a cadenza of electric guitar notes and we are jerked back to Waterloo in 1979.

I don't feel like finding fault after such a pleasant evening; if I did, I would challenge the Cottesloe's policy of ignoring contemporary English drama in favour of adapted literature and American hits, but that must wait for another time. Instead, let me say what a good company the Cottesloe has, their work the acme of mutual co-operation.

The two pieces can be seen on the *same day, matinee and* evening, next Wednesday and the Wednesday after, and thenceforward at intervals. I recommend seeing them separately given the opportunity.

B. A. YOUNG

Cinema

Odd-couple love affairs

by NIGEL ANDREWS

Moment By Moment (AA) Plaza.
Slow Dancing In The Big City (AA) Classic Haymarket.
Those Wonderful Movie Cranks (A) Paris - Pullman and Phoenix.
Nine Months and The Two Of Them ICA.

Romance has returned to the cinema; love is once more trying to make the turnstiles go round; and sentiment is spreading itself across our screens, so lustrous-eyed and earnest that you would think nothing had changed in the world or the cinema — to disenchant or disillusion—since *Random Harvest*.

Moment By Moment and *Slow Dancing In The Big City* are *both about odd-couple love* affairs and both make free with more tears, heartaches, misunderstandings, reconciliations, declarations of love and throbbing hearts than one would normally encounter in a month of Press shows. *Slow Dancing is the more rueful, fey, down-beat movie of the two. Moment By Moment* is the more lush and luxuriant: an all-handkerchiefs-at-the-ready blockbuster. As the advance guard of the new romanticism, both are patently sincere and highly resistible. But if you must have your entertainment starry-eyed, they are probably the best there is going until we get to *Love Story Part Three*.

Moment By Moment is the *latest step in the eventful* career of John Travolta. As if keeping time with the re-emergence of Romance, Travolta's image has been going through an odd, unhappy laundering process in recent years: starting with the horror-comic *Schadenfreude* of *Carrie*, moving on to the hip realism of *Saturday Night Fever*, cleaning itself up for the high-school innocence of *Grease* and *finally emerging* whiter-than-white in this tale of the Californian love affair between a beach - roving quasi - gigolo (Travolta) and an older married woman (Lily Tomlin).

"Quasi" because Travolta, though he carries a symbolic-looking "for sale" sign on his car window, is less a love-for-hire stud than a Little Boy Lost in the wicked world of Californian hedonism: a Prince *Myshkin of the Malibu coast* who seeks the affection of an older woman as balm, we are told, for an emotionally deprived childhood. The film saddles Miss Tomlin, last seen kooking it up in *The Late Show*, with the luckless Good-Samaritan role of the lonely lady who invites "Strip" (for so is he called) into her ultra-chic beach house after a *chance encounter among the* bright boutiques of Beverley Hills.

Don't get the idea that Miss Tomlin is sex-happy. Neither of them is sex-happy. Neither of them is happy really. They alternately gloom and simper at each other through the extra-*ordinary* mauve ectoplasm in which director Jane Wagner has wrapped the film's action (the colour photography makes the Pacific coast look like a dye-pollution area): and when not exchanging such philosophical nuggets as "What a world!", or ah-so-wistfully writing messages in bottles and casting them out to sea (Travolta's speciality), the lovebirds seem to be developing their special talents as soulful mirror-images of each other.

Tomlin, alas, falls by the way-side, as a talented comedienne landed with a suffering-prune role could only be expected to. But Travolta once more turns out a hypnotic performance against impossible odds. He all but *rescues this sinking* luxury-liner of a movie with his loose, floppy, boyish charm and his magnetic sincerity. He has more crying scenes to do in the film than any actor with a sense of self-preservation would have wanted, but he does enough with them to suggest that all that glisters is not glycerine, and that a kernel of truth can be found in even the ripest bokum.

★

From the coastal beauties of California to the romance of the city. In *Slow Dancing In The Big City* director John Avildsen, who managed to fix forever Philadelphia's ugly beauty in *Rocky*, has turned his attention to New York and used his blunt, telephoto-flattened, brown-and-grey images to show us the opposite Manhattan to Woody Allen's gaunt, stylish, high-contrast city of recent memory.

The ghost of *Limelight* stalks through this story of romance between a beautiful young *danseuse* (Anne Ditchburn) and a plump, middle-aged, happy-go-lucky, worldly-wise journalist (Paul Sorvino). The said journalist meets the ballerina when she moves into the next-door flat in his improbably squalorous apartment house. (He is apparently a household name as a newspaper columnist but he lives in a room plus k and b that are like something out of *The Lower Depth*). Love blooms; but there is a worm i' the bud. Miss Ditchburn is stoically fighting an all-but-crippling physical affliction, to wit fibro-myositis. She must have an operation soon—which will end her dancing career—but can she hold out until after her upcoming, sure-to-be-sensational opening night as *première danseuse* of a new company?

With Mr. Sorvino's help she surely can. Mr. Sorvino's porky face and habit of bustling around like a goods train—memorable from *Bloodbrothers*—keep giving her spirits (and our own) the kiss of life. The film is as rattly and antediluvian as an old tank, and there are even such Hollywood-weepie staples as the ageing tart-with-a-heart mistress (Anita Dangler) to whom Mr. Sorvino bids a pained and kindly adieu after deciding that Miss Ditchburn is to be his new *inamorata*. But Avildsen's un-tricksy direction is a help, and the ending taps your tear-ducts tut-ut how you may. It's soft-centred stuff, but slightly better value than *Moment By Moment*.

★

The Czech cinema sometimes seems to be lodged permanently in a *fin-de-siècle* never-never-land of white lace, sepia photographs and lovable old ladies and gentlemen going about their business in the innocent *Eden of pre-Communist Czecho*slovakia.

Jiri Menzel, who earned his directing stripes with the excellent *Closely Observed Trains*, has caught a nasty dose of celluloid nostalgia in his new film. *Those Wonderful Movie Cranks* contains the idea for a wonderful movie. Set in 1907, it's the story of a travelling picture-showman whose adventures picturesquely traverse the early *days of Czech cinema and bump* up against such exotic characters (based on real Czech celebrities of the day) as the country's first Lumière-inspired "realist" director (played by Menzel), the leading music-hall comic of the time, and the then female star of the Prague National Theatre, a portentous lady seen here out-Bernhardting Bernhardt as she essays for the movie camera a Brunhilde-like role atop a vertiginous crag.

There is also the hero himself, played with plump, moustachioed finesse by Rudolf Hrusinsky. His prototype was an actual mountebank-of-the-movies who carred his picture shows from village to village *circa* the turn of the century, and who founded Prague's first ever Nickelodeon.

Having established its historical credentials, though, Menzel's movie doesn't quite know what to do with them. *The film is shot in sepia* hues and enacted with a beguiling variant on grand-gesture silent-movie technique. The action is frequently interspersed, to boot, with real or pastiche excerpts from the movie product of the era. But the gimmicks obstinately remain gimmicks, the vision of times past—including the Feydeau-like complexities of the hero's love life—is tenaciously lightweight. One wishes Menzel had thrown out the old-lace frippery and the twee, nudging comedy—we had more than enough of the latter in Bogdanovich's *Nickelodeon*—and given us instead a straight, strong, solid glimpse into the prehistory of European movie-making.

★

The Eastern Bloc rides again in two films from Hungary's leading female director Marta Meszaros, showing at the ICA from this week. *Nine Months* and *The Two Of Them* are both sprightlier-than-usual examples *of Iron Curtain lumpen-realism*, starring that rotundly cherubic actress Lili Monori. The subjects are, respectively, love and marriage; the first film featuring Miss Monori as a self-willed factory girl who romances a young man, the second showing her involved in an embittered and spitfire marriage. Ms Meszaros's films start out seeming to threaten the very worst that dour Socialist Realism can offer, but they soon begin to ring enough caustic changes and trample underfoot enough cliches to make the results com*pelling viewing*.

Lily Tomlin and John Travolta in 'Moment by Moment'

St. John's, Smith Square

Scylla et Glaucus

by RONALD CRICHTON

Jean Marie Leclair the elder is honoured as a composer of violin sonatas and concertos. In advanced middle age, like his older contemporary Rameau, he *turned to opera. Scylla et Glaucus* was produced at the Opéra in Paris in 1746. The work seems to have been highly regarded, but was not able to overcome the ever-fashionable, volatile Parisians' declining interest in the form of *tragédie lyrique*—when Rameau died in 1764 curiosity about his last big work, *Les Boréades*, then in rehearsal, died with him. The musician who re-awakened that score was John Eliot Gardiner. Mr. Gardiner was responsible for the first modern performance of *Scylla et Glaucus*, given in concert form at St. John's on Wednesday by the Monteverdi Choir and the English Baroque soloists.

Fears during the prologue that Leclair would turn out to be a pale copy of Rameau were dispelled by some lively dances —Leclair was a ballet master in *early life, and the dances in Scylla* were successful enough to be pillaged for other operas. That even so they don't have Rameau's full charge of invention, variety and colour is no disgrace at all. More surprisingly Leclair revealed himself a master of the French kind of *lyrical declamation. Here again* he is not so strikingly original and powerful (neither is he so quirky or occasionally crabbed) as Rameau. Yet he could, in the scene in act one for Scylla and her confidante, and even more in the splendid confrontation in act four between Glaucus, Scylla, and her ferocious rival Circe, most skilfully carry on the drama through dialogue set to music.

The librettist D'Albaret took his plot from Ovid's *Metamorphoses*. In legendary Sicily Glaucus is foolish enough to try *and secure the love of Scylla by* enlisting the help of the sorceress Circe. Man-hungry Circe wants Glaucus for herself. He vacillates. Scylla, herself apparently undecided, is finally turned to stone, and instead of a continued happy end there is the still vengeful Circe flying round the stage on a dragon. There is plenty of opportunity for the spectacles at which designers of the period excelled. A re-creation would no doubt be prohibitive, but a modern adaptation of the kind Peter Hall and John Bury have undertaken at Glyndebourne for Monteverdi and Cavalli *would* surely work. Even in concert form the music kept the audience at St. John's *happy through four hours* (what, though, would happen in impatient Paris?). This was the best kind of London music-making — something out of the way worth doing, devotedly done before a public of devoted enthusiasts.

Throughout those four hours Mr. Gardiner kept his forces buoyant. The Monteverdi choir was rousing or soothing as occasion demanded in choruses not *unworthy of comparison with* Rameau's as well as providing fresh-voiced soloists for small roles. The English Baroque Players had an equally grateful task. Leclair's orchestration is more monochrome than Rameau's but as a famous violinist should he writes brilliantly for strings—Simon Standage, the leader, had some ravishing solo work.

The opera was given in French. It would have been intolerable with bad declamation. Fortunately words for the most part were good, with two French soloists to set a standard. As Glaucus the *haute-contre* Jean-Claude Orliac was sweet and supple but rather low in vitality—perhaps he was saving for his brilliant ariette near the end. In some minor roles Anne-Marie Rodde seemed under-parted until we came to the exquisite pastoral number with chorus in the final act, sung by a Sicilian, appropriately in *siciliana* six-eight metre. Here Miss Rodde's pure tone, though her rhythmic sense is not strong, was a delight.

Scyllo was the young Marie McLaughlin, a promising newcomer to the difficult style, diction not perfect but on the right lines, voice appealingly rich *if sometimes undisciplined*. The best role is Circe's—like Phèdre in *Hippolyte* or Phébé in *Castor et Pollux*, but larger. Jennifer Smith sang with her own kind of poised, intelligent intensity. A soprano with more theatre experience might bring still more contrast of expression but might not last the long course so well. Rosamund Illing, Patrizia Kwella and Christopher Booth-Jones provided distinguished support. The performance is being recorded by the BBC for European Broadcasting Union — transmission next spring. You won't need to be an expert on French baroque to enjoy it.

Wigmore Hall

Frankl & Vasary

There have been private performances in recent musical history that one would have dearly loved to have been documented. Horovitz playing through Rakhmaninov's third concerto *while the composer supplied* the orchestral parts on a second piano; Boulez and Messiaen giving the latter's *Visions de l'Amen*; most covetable of all, Debussy and Stravinsky running through the piano score of *The Rite of Spring*, Debussy, so the legend runs, sight-reading faultlessly. *The Rite* existed in a piano-duet version before the orchestration had been completed; the arrangement was published before the full score and differs in a few structural details. Yet it rarely crops up in duet recitals; duet recitals, indeed, are rare in themselves. So the recital by Peter Frankl and Tamas Vasary at the Wigmore Hall on Wednesday, including *The Rite of Spring*, was doubly welcome and, coincidentally, a valuable appendix to the current Stravinsky Festival.

On the piano *The Rite* is something more than a mere oddity. A charcoal drawing to the *full score's oils, it gives* more chance to the ballet's organisation and thematic coherence, more emphasis to its *rhythmical charge*. Stravinsky always composed at the piano — one of the score's most famous ideas, the pounding bitonal chord of "Auguries of Spring," is clearly derived from bands moving out of register on the keyboard, deforming a commonplace triad. It's remarkable how much of the score lies under the fingers with the minimum of reworking: much crossing of hands as aggregates compress and fan out, but relatively few of the notes changed.

Mr. Frankl and Mr. Vasary had evidently worked long and hard to prepare the score. The exuberance and obvious delight in the novelty of the occasion ran through the rest of their programme, a first half of Bizet's *Jeux d'Enfants* and Ravel's *Mother Goose*.

ANDREW CLEMENTS

Festival Hall/Radio 3

London Sinfonietta

by DOMINIC GILL

That the London Sinfonietta should have been able to fit another, unrelated concert for the Royal Philharmonic Society into the crowded rehearsal schedule of their current Stravinsky series is remarkable; that their playing should have sounded as fresh and vivid as it did, from first to last, is a miracle.

At the centre of their programme was a newly revised version of Hugh Wood's Chamber Concerto of 1971. The revisions are not major ones, and were (as the composer says) "mostly accomplished with scissors." I had not heard the work since its premiere, nor *was able to see the revised* score: but the effect is indeed tighter than I remember, and the working—notably in the *second movement's succession of solo cadenzas and trios*—tauter and more economical. It has worn its years well, and kept its tension as well as its surprises. The *slow movement* elegy in memory of Roberto Gerhard which struck me most strongly at first hearing did so again: a web of simple *instrumental* threads, finely knit, introduced and once interrupted by a deep *Gibet*-like ostinato tolling.

The conductor was David Atherton, whose secure and lively beat did much to brighten up *Brahms's endless (and it* must be said, mostly very boring) A major Serenade; and whose careful accompaniment *to Shostakovich's Symphony* No. 14, sung robustly by Heather Harper and Stafford Dean, was a model of sombre clarity and tact.

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Telephone: 01-248 8000

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A crisis averted

AS A STOPGAP yesterday's monetary package seems *likely* to succee din averting a graver economic crisis. A jump in minimum lending rate to the unprecedented level of 17 per cent, accompanied by cuts of four points in gilt-edged prices, could hardly have failed to send investors rushing into the gilt-edged market to lend the Government money. By the time Sir Geoffrey Howe had finished speaking in the House of Commons, the Government broker had sold out his tap stocks. And with a further £1bn tranche of stock due today, there is now a good chance that the growth of sterling M3 will be brought bac kwithin a target range, which has now been *tightened slightly.*

Inadequate

But a favourable initial response *to the package from* the gilt-edged market should not lull the authorities into thinking that they *have allayed the justified worries about* the *whole* conduct of monetary and economic policies, which investors and commentators have been voicing over the past months.

The fundamental problems *that have made annual mone*tary crises a permanent fixture in every stockbroker's calendar remain. Fiscal and monetary policy are still inconsistent, except at a level of interest rates which boost sterling and *crucifies industry. The system* of monetary control is still inadequate, monetary statistics are now more distorted than ever and the Government's methods of borrowing are still expensive and crisis prone. *Finally* there *is still* no *indica*tion *that* the Government is prepared to face the full consequences of its monetarist principles in the areas where they hurt most politically, but do least damage economically: consumer borrowing and housing finance.

It would be churlish not to admit that the Cabinet must have required considerable courage to raise MLR by a full point more than the market had *been expecting. This boldness* has enabled the government to buy time and to deal with the immediate funding crisis. How much time the Government has bought will depend on developments in the world economy, on *interest rates abroad and, above* all, on the domestic wages front. All of these factors suggest, however, that a major overhaul of the monetary system and of the *Government's* economic strategy is more urgent than the Chancellor, in his statement, seemed to suggest.

The Bank of England must move quickly with its review of *monetary control methods,* because the current system is irreparably flawed, now that the absence of exchange controls has reduced the corset to a purely cosmetic device. The corset was already being bypassed by the growth of acceptance credit. Its retention for another six months was one of the decisions that have cast doubts upon the Government's faith in genuine monetary control, since it may well shift credit growth into the Euro-markets, where it is not even recorded. It will be hard to know if the squeeze is effective.

More fundamentally, the Chancellor's statement suggested that he may be relying excessively on the unaided effect of interest *rates. His decision not to impose* any kind of quantitative controls on consumer lending suggest a failure *to grasp one of the main lessons of monetarism*—that demand for money is, in the short run, relatively insentitive to the level of interest rates.

Contradictions

But reforms in monetary control if they come will do no more than highlight the deeper contradictions in economic *policy.* Fiscal action may be more urgently required than the Chancellor suggested. The welcome change in the method of levying Petroleum Revenue Tax will do no more than bring the public sector borrowing requirement back to the level planned in July. This seemed excessive then and, in view of the surprising strength of consumer demand in the past six months, seems even more excessive now.

Very high interest rates are the price that British industry now has to pay for the generous tax cuts in the last budget. The pruning of public spending programmes that has already taken place is no substitute for a further review of larger items of public revenue and expenditure. Energy taxes, housing subsidies (to owner occupiers and council tenants), social security payments, debt servicing costs and tax expenditures could yield far greater benefits than the measures that have *been tried so far.* Yesterday's measures were only the first tentative steps along a hard road.

Now for an end to the war

In the last few days, even the deepest cynics have begun to believe that the Lancaster House talks on Rhodesia are going to end in agreement. Yesterday's settlement of the so-*called interim stage*—the conditions under which Rhodesia will be governed from the period between the end of the Lancaster House talks and the election of a new Government to run independent Zimbabwe—is a remarkable achievement. It is a personal triumph for Lord Carrington, the British Foreign Secretary, and a tribute to all those who have participated in the talks.

Divisions

In the euphoria that pervaded Lancaster House yesterday morning, it was tempting to believe that the end of the 14-year-old Rhodesian crisis was at last in sight. At the risk of *sounding churlish, there is still* a long way to go. A war is being fought in southern Africa that has already claimed the lives of some 20,000 people. In the ten weeks since the Lancaster House talks began, between 1,000 and 1,500 people have been killed. The civilities of Lancaster House should not be allowed to conceal the deep and bitter divisions that underly the Rhodesian problem.

The next and final stage of the conference is to agree both the method and timing of a ceasefire. There are a total of five warring armies in Rhodesia, under varying degrees of control by their political and military commanders. What is to happen to them? Where are they to go? How long will it take to make a ceasefire effective? What will the soldiers do with their weapons? The Patriotic Front's interpretation of what the ceasefire would *mean was aptly expressed* by one of its spokemen yesterday: "Hold on to your gun and keep the powder dry." What is to happen if those guns start firing in the period during which a British Governor assumes dictatorial powers over the country?

The view in London yesterday was that all these problems would be overcome in the next stage of negotiation. The momentum behind the talks is now so great, the evident desire of all the participants to end the war and subject themselves to the electoral process so strong, that the odds in favour of a Lancaster House agreement must now be better than evens.

But then what? In order to gain this agreement, the British Government has assumed a level of responsibility unprecedented this decade for translating the Lancaster House agreement into reality.

A British Governor will assume dictatorial powers.

All Commonwealth Countries will be invited to participate in an observer force, to report to the Governor, and more importantly to the rest of the world, on the conduct of the elections.

One of the Governor's responsibilities will be to deal with any breakdown in the ceasefire. To do this, he will have only two weapons. One will be the spirit of the Lancaster House conference, translated in Salisbury into a "ceasefire commission" on which all the army commanders will sit. If trouble breaks out, these commanders will be expected to stop it.

The second weapon will be a still only loosely defined "monitoring force" consisting of British and Commonwealth troops. This force, in the words of Lord Carrington "will not be an intervention force." If fighting breaks out, there is nobody to separate the combatants.

Unstable

Britain, in short, is assuming total responsibility for a highly unstable and militarily precarious situation with no means—other than moral suasion appeals to good faith or worst of all reliance on one or more of the existing armies—to exercise authority. It is a situation fraught with every kind of danger.

The best way of ensuring that British public opinion does not draw back from the consequences of Lord Carrington's diplomacy is for the monitoring force to be a truly multi-national one, drawn from the Commonwealth, reporting to the British Governor. British troops are bound to participate in this force. But even if, as Lord Carrington has suggested, they form the largest single contingent, other Commonwealth nations should provide the majority.

Monetarism: from slogans to harsh reality

BY ANTHONY HARRIS

THE CHASTENED tone of recent remarks from Mrs. Margaret Thatcher and the Chancellor say it all: a monetarist approach to economic policy may seem simple, but that certainly does not mean that it is easy. Indeed, the Government is now under fire from both sides.

Critics of the monetarist approach point to rising inflation, a weak balance of payments and an epidemic of factory closures, and argue that the policy itself is profoundly mistaken. They forecast that Mrs. Thatcher will sooner or later have to learn the same lessons as Mr. Edward Heath did, and revert to incomes policy, industrial rescues, and all the other *tried and failed* remedies of recent years.

Monetarists retort that monetary control has yet to be tried; a policy based on mistaken definitions of money and mistaken methods of control has achieved no real restraint at all. We are simply adrift.

Both criticisms are, of course, grossly unfair to a Government which has been in office less than six months, and many of whose problems stem from the collapse of the incomes-policy approach under Mr. Callaghan; but fair or not, they are important. The false start which has been made will go on creating difficulties for the Government for a long time to come, because of the way in which it has damaged confidence.

It will be much harder from now on to hope that a simple statement of firm monetary intentions will influence the thinking of ordinary managers and wage bargainers in the way which theory *suggests. People* will have to be convinced that controlling the money supply will check inflation, and indeed that it is possible to control the money supply in the first place. When sympathisers question the very definition of money, *the* task looks still more formidable.

To understand the baffling mixture of doctrinal and technical argument which have now broken out, it is helpful to see how we have got to our present *position; even a sketchy history* is illuminating, especially in understanding the central problem: the relation between private credit and Government finance.

In pre-war days these issues *were little discussed.* The Government ran the national finances on what looked like business lines. Current revenue was rather more than enough to finance current spending: but the Government was ready to go *to the financial markets, like* any company, to finance part of its capital investment programme. This approach had two major faults. It left the level of activity and the balance of trade largely to Fate; and it was founded on very shaky definitions. The distincution between current and capital spending was largely arbitrary, so that it was very difficult to judge whether Government policy was in fact sound, penny-pinching or spendthrift.

The post-war period introduced a double revolution. First, the Keynesian mode of policy-making was adopted. The central purpose of Government policy was seen as being to balance total demand with *potential supply.* Secondly, World War II had left the country with very depleted exchange reserves so that the balance of payments became a central constraint on what could be done.

These twin preoccupations have left an enduring mark on our system. First, a whole generation of officials have learned that Governments of either colour tend to take an over-optimistic view of the country's potential, and left to themselves, will inflate demand past its safety limit.

In the 1950s and 1960s this bias was to a large extent self-correcting. Any excess of demand over actually attainable output had to be met from imports, and this resulted in quite a short time in a sterling crisis. The late Harry Johnson once pointed out that in these two decades, every single attempt to deflate the economy through emergency taxes and credit restraints was triggered off by a sterling crisis.

Ground-rules changed

In the 1970s the ground-rules were drastically changed. Exchange rates were floated, so that the Government was no longer obliged to finance any excess demand out of very *limited exchange reserves. The* tidal movements of international capital meant that there might be a long time interval between an error in policy and a resultant crisis about the exchange rate. A new warning system *and a new measure of prudence* were required.

The control of domestic credit and the money supply was developed to fill this role. The increase in money is defined as bank lending to the private *sector, and that part of Govern*ment borrowing which cannot be financed by selling securities to long-term investors, plus or minus any net movement of money overseas.

This measure of money gives pretty *prompt warning of* any excessive total demand for credit in the economy; and since the willingness of long-term investors to buy Government stock depends very much on confidence in the soundness *of Government policies, any* error tends to amplify itself. An initial overshoot because credit demand is higher than forecast generates a second overshoot, as investors lose their taste for gilts, and the Government is *forced to finance itself from the* banking system.

The system is in fact designed very effectively to produce crises when things go wrong, and thus force the Government to take quick action, and this is no accident. The present crisis in this sense shows that the old system still works.

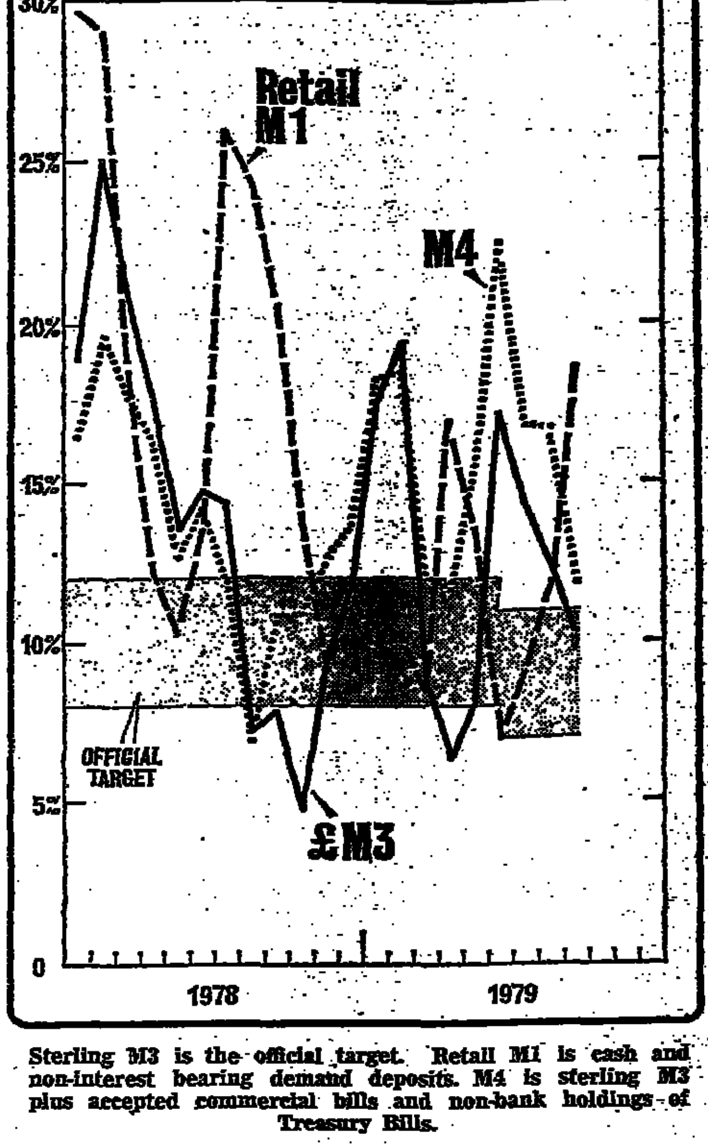
However, the system is a very long way from monetarism as the monetarists understand it. The basic monetarist belief is that holdings of money—instant spending power—are a very important influence on behaviour. One might, there*fore, expect the Government* to try to control such holdings. However, the British approach is based on controlling bank credit, and the bank liabilities which correspond to their lending book are not for the most part money as ordinary people understand it.

As a result, Sterling M3, the official definition, does not include a lot of things which are used to finance spending—undrawn overdraft facilities, building society deposits, the potential spending power locked up in credit cards and so on. But it does include a lot of things which cannot be used directly to settle debts—notably bank certificates of deposit, which must be sold to raise money. It does not include British holdings of foreign currency, which are perfectly spendable money, simply because with the floating of exchange rates, foreign currency holdings had a sterling value which fluctuated in a disturbing way. Nor does it include foreign holdings of sterling, which can be used to finance bank lending.

As a result, there is plenty of scope for the Government's technical critics to pick holes both in the official measures of money and the sole means of controlling its growth—selling Government stock. It is certainly hard to see any direct link between the expected results of the Government's present package — higher purchases of Government stock by pension funds and insurance companies, and speedier tax payments by the oil companies—and the willingness of consumers to buy *imports or of employers to grant* large wage increases.

There is of course an indirect link: money paid in taxes or for the purchase of gilts vanishes from the banking system, so that a shortage of money is thus *created for new lending.* However, the chart illustrates fairly vividly a second level of difficulty. Not only do different definitions of money (and many more could have been displayed) all tell a very different story *about money growth over a* three-month period, but all of them fluctuate wildly from month to month.

The result is that it is a matter of sophisticated judgment to decide what is happen*ing to monetary growth, on any* definition. Therefore quite apart from the basic decisions about fiscal policy, and the actual achievement of funding, the Bank of England is active in the money market every day, *relieving acute shortages (often* the result of tax payments or heavy gilts sales) or mopping up money. This can be achieved, among other things, by trading in commercial bills, by selling tax reserve certificates, and by official trading in foreign currency.



Sterling M3 is the official target. Retail M1 is cash and non-interest bearing demand deposits. M4 is sterling M3 plus accepted commercial bills and non-bank holdings of Treasury Bills.

This all adds up to a system of Byzantine complexity. It takes pages of statistics, for example, to work out the effects on the money supply of the banking "corset," combined with official and commercial dealings in the money market. No forecaster can yet guess what proportion of foreign holdings of sterling bank deposits will work through to domestic monetary growth, or how long it will take.

In the end it is hard to escape the conclusion that in British conditions, at any rate, "tight control of the money supply" is a slogan which is of little help to the man in day-to-day control. It is impossible to control what you cannot observe; and although the aim of operations may be to control the quantity of money and credit, the only thing which can be observed accurately is its price. Therefore new monetary policy is but old interest rate policy writ large.

Since interest rates are politically highly sensitive, the first result is a tendency to allow crises to develop until they are unmistakeable before any action is taken. The chart makes an eloquent case for a wait-and-see approach; if policy reacted to every monthly blip, it would see-saw wildly (and even on the chart, the figures are smoothed). The action then required is drastic. Since sales of Government stock are the only durable corrective, and investors are reluctant to buy on a falling market, the adjustment when it comes must be big enough to look like overkill.

Impatience of critics

It is therefore easy to under*stand the impatience of many* academic and City critics for a radical overhaul of the control system. The proposed system of controlling the monetary base has two aims. First, it would operate, as the authorities have *so far been unwilling to operate,* by direct pressure on the basic trading assets available to the banks. The adjustment of interest rates would supposedly become automatic. Secondly, by defining reserves in simple *terms—cash and balances with* the Bank of England—it would enable the authorities to mop up money as other central banks do, by selling short-term bills. Gilt sales would cease to be crucial, and the economy would no longer be run, as Mr. Denis Healey complained by "the young men who write brokers' circulars."

This would be a considerable advance, but would raise severe technical problems of its own —as the U.S. Fed, which has just made such a change, discovered within days. The market would certainly take time to adapt, and react smoothly to reserve asset pressures. Until then, interest rates might fluctuate as wildly as monetary growth figures do, at any rate in the short term. Officials would still be under pressure to intervene, and take a view.

A second reform which at last attracted some important support in the City would simply try to smooth out funding, by introducing a form of stock which investors would be willing and indeed eager to buy *when things seem to be going* wrong—stocks with some real-value guarantee. The fact that the BP issue was oversubscribed at above the market price in the middle of the present crisis shows the attraction of real assets when monetary policy looks shaky.

However, eliminating funding crises would have one possibly very damaging effect: it would take the pressure off Government. The present system, with its built-in crises, does force Ministers to reconsider their fiscal policies when things go wrong; and this is vitally important for two reasons.

The first is that the effect of any given degree of credit restraint is very different if it is achieved through fiscal policy —taxes and spending cuts— from the effect of a pure restraint on borrowing through high interest rates. Fiscal policy puts a squeeze on the whole economy; a purely monetary squeeze tends to do particularly severe damage to the property market—over which few tears need to be shed—and, under floating exchange rates, to manufacturing industry.

The damage to manufacturing results was not just from high interest rates, which raise operating costs, and inhibit long-term investment, but from the fact that high interest rates attract foreign funds. This *tends in the short run to raise* the exchange rate, and put a competitive squeeze on industry; in the longer run the foreign inflows undermine monetary restraint; or finance a large trade deficit, which *leads to a secondary crisis.* That is really the story of 1979.

Finally, it has yet to be proved that severe monetary restraint (and the present regime is meant to be very severe) is technically possible through pure monetary means —in other words, high interest rates. No one is more sceptical about this, at any rate as a short-run exercise, then the leading monetarist economists. The coming months will test that proposition. Conditions seem likely to remain unsettled.

Less than 10 per cent of the Stock Exchange's turnover in corporate securities is reckoned to be in foreign shares, not less than 40 per cent as was printed in yesterday's feature.

MEN AND MATTERS

Boom time for old guns

Sad as I am to disappoint readers with spies on the brain, the picture on the right is not my exclusive study of the fifth man. The person seated in the Churchill tank is in fact an owner-driver—World War II tanks, it seems, are a hot property these days, and Clive Evans has been acquiring any he hears about.

Evans, 35, made his money—"don't tell the taxman it was a fortune"—out of an acrylic polymer paint designed for ships; he bought the patent from a Swede in 1976. "It stopped barnacles and resulted in a 6½ per cent fuel saving, but no-one was very interested at that time," he tells me from his home in Wimborne, Dorset. He sold out his share in 1977 and decided to make a new career out of his hobby of collecting large-scale military hardware. Although things got off to a bad start—the local police told him he had to get rid of his Bofors *gun—he has now acquired* a dealer's licence and his collection, ranging from paratrooper cycles to jeeps, ambulances and tanks, is housed in an aircraft hangar near his home.

Much of the collection comes *from the Middle East,* and has seen action recently. Evans judiciously holds two passports in order to make forays into both Israel and its neighbours. The price of transporting tanks back to England is surprisingly reasonable at around £2,000.

The Churchills, of which he has three, weigh in at 45 tons and use four gallons to a mile. Once ready they can be hired out at £1,000 a day, normally to film companies. Although primarily foraging around British scrapyards and the old stock of Middle Eastern governments, Evans plans to go to India next spring to try to find the second-hand arms dealer's El Dorado: a reputed store of First World War tanks.

Roger Taylor

The Churchill tank on which Evans is sitting came from the Middle East. He tells me it is being competed for by both a Belgian museum and the Imperial War Museum; he is bashful about figures. However, David Penn, keeper of the IWM's department of exhibits, tells me the deal — as far as he is concerned — has been done. Rather irritatingly for the IWM, Churchill tanks, which were in service until the mid-50s, are now at a premium. "At the time we could have had one for free, but we didn't have space. Now we have Duxford aerodrome and have the space, but unfortunately have to pay." He is equally shy about naming a price.

First things first

With the latest developments in Iran, one would have thought that the world of foreign exchange was in turmoil. But for the Paris office of Chase Manhattan, priorities are clearly different.

Customers of the international currency display which Chase contributes to the Reuters Monitor were surprised yesterday to find that Chase's information read "Le beaujolais nouveau est arrivé." Francophile euphoria may have gone to their heads a little; sampling this much vaunted fluid in the Ritz it tasted distinctly raw. A spokesman for Chase, however, assures me: "Of course, if you've just had a cup of coffee around 11 o'clock it's going to take your tonsils out. But after a bowl of soup . . . If you don't mind I must go now, to be honest I've got a frightful problem, this Iran business, you know."

Risking it

It is now a year since the tanker Amoco Cadiz went aground off Brittany, causing one of the worst oil spills in history. The French claim the ship was off course at the time, but is seems the lesson of the disaster has yet to be learned.

To protect France and Britain from another oil catastrophe a one-way route for shipping bound for the English Channel, and another for vessels heading into the Atlantic have been introduced in the treacherous waters where the coast of Britanny juts into the ocean.

But over the past nine months the French navy has, I gather, reported no less than 2,964 cases of ships breaking the one-way rule. Charges have been pressed in only 820 cases because of lack of irrefutable evidence; 292 cases were against Greeks.

After Greece, the worst offenders are West Germany, Panama, Spain, Holland, Liberia, Denmark, the Soviet Union, Italy, Poland and Cyprus.

Every day an average of 250 ships flying almost every national flag and loaded with over 1m tons of oil pass off the Breton Island of Ushant, whose reefs are a graveyard for shipping: each day six of them try to gain time by taking a proscribed route.

Just Keith

I have sometimes wondered why it is that elephants are fabled for unfailing memories. Who knows? Observing them in zoos as they go about their animal affairs, it has never struck me that they either forget or remember. However, Plessey Semiconductors—exhibitors at the forthcoming Electronics Components Industry Fair at Olympia—have discovered that an elephant they had intended using to symbolise their pocket calculators' retentive capacity could not be permitted entry to the main hall and might even be towed away for causing an obstruction. Too bad. So what could we expect to see at the exhibition? I asked an Olympia spokesman. "Sir Keith Joseph."

Nipped in the bud

A letter to a St. Albans newspaper attacks an area generally neglected by discriminology experts — the underprivileged position of the many illiterates "who cannot get jobs or read signs and cannot take their rightful place in life." The letter concludes, thought-provokingly: "Literacy is a serious thing and ideally *should* be arrested in childhood."

This approach would at least have the merit of being an original approach to the problem of how to make cuts in education.

Observer

The new challenges facing Rolls-Royce

BY RICHARD LAMBERT, Financial Editor

THE PUBLIC *row about which* branch of the Government should control Rolls-Royce has *raised serious questions about* the quality of its management. Specifically, the chairman of the National Enterprise Board has said that the company—one of the world's three major aero engine businesses—needs to adopt a more stringent application of financial disciplines.

A change of emphasis is needed, according to the NEB—which currently holds all the shares in Rolls-Royce on behalf of the Government. "It isn't any good it thinking it can always hold out its hand and get more money from the public."

No one challenges the company's engineering and marketing achievements in recent years. In 1978 alone it negotiated deals which should bring in £2bn of revenue over the years ahead. The argument is about whether these orders can be translated into profits on the scale that will be necessary for Rolls-Royce to finance itself without the help of substantial *public funds in the mid-1980s and beyond.*

There are major problems in making such an assessment. *The first is that the recent financial* history of the company is more or less irrelevant, since the *scale of its operations is about* to change dramatically. It has made a small profit in most years *since nationalisation in* 1971, and a good part of the £400m or so of public money which it has absorbed since then has gone to support the RB 211-22 engine—the project which caused the financial disaster in the first place. But in the next five years its output of *big jet engines—the RB-211* series—is scheduled to quadruple. So its working capital requirements are set to rise substantially in the next two or three years.

A second problem—and one which is partly responsible for the quarrels with the NEB—is that assumptions about volume *and costs have only to be* changed marginally to produce big changes in future profits projections. This is because each big jet engine takes over two years to produce, and the cost of developing the first few to come off the production line is enormous.

Assessing the long-term viability of such a project is largely a matter of judgment. An extreme example of what this can mean was the famous Treasury analysis leaked in February. This claimed to show that on the most optimistic assumptions the Dash 535 version of the RB-211 could not break even until 1993—an idea which has been roundly dismissed by both the NEB and the company.

Changing role

One thing that is clear, however, is that the job of managing Rolls-Royce has changed significantly in recent years. After the bankruptcy, the main challenge was to restore Rolls-Royce's name as a credible long-*term competitor* in the international aero engine business. The world market was flat for most of that period, and in real terms the size of the UK business contracted for several years running.

In those circumstances, finance *was not the prime* constraint. What Rolls-Royce needed above all was a morale booster and a superb salesman, and this has been the great achievement of Sir Kenneth Keith, the retiring chairman and chief executive.

More recently, the company *has seen that a much higher* workload brings different priorities. Recently, there have *been a number of fundamental* changes in the management structure, particularly on the financial side.

One thing Rolls-Royce has never lacked, even in its private *sector days, has been a wealth of* internal information about its finances. The trouble in the late 1960s was that no one paid much attention to it. More recently, the company has recognised that budgets have sometimes lost their impact on their way up the hierarchy. More attention has been focused on the availability of manpower and delivery dates than on the allocation of financial resources.

If, for instance, the choice lay between running over the top of a budget or missing a delivery date, the instinctive reaction would be to spend the money first and think about the financial consequences afterwards. That was one thing when the company was pushing hard for new business. It is quite another in the present circumstances.

Out of what was a largely decentralised financial organisation, Rolls-Royce is now creating an integrated structure leading up to head office in London. The budgeting system is being strengthened and simplified—8,500 *individual budgeting* centres are being cut back to 150 units covering the whole business—and *a much greater emphasis is being placed* on cash management. The other *two priorities* in the 1980 budget are manpower and overhead expenses.

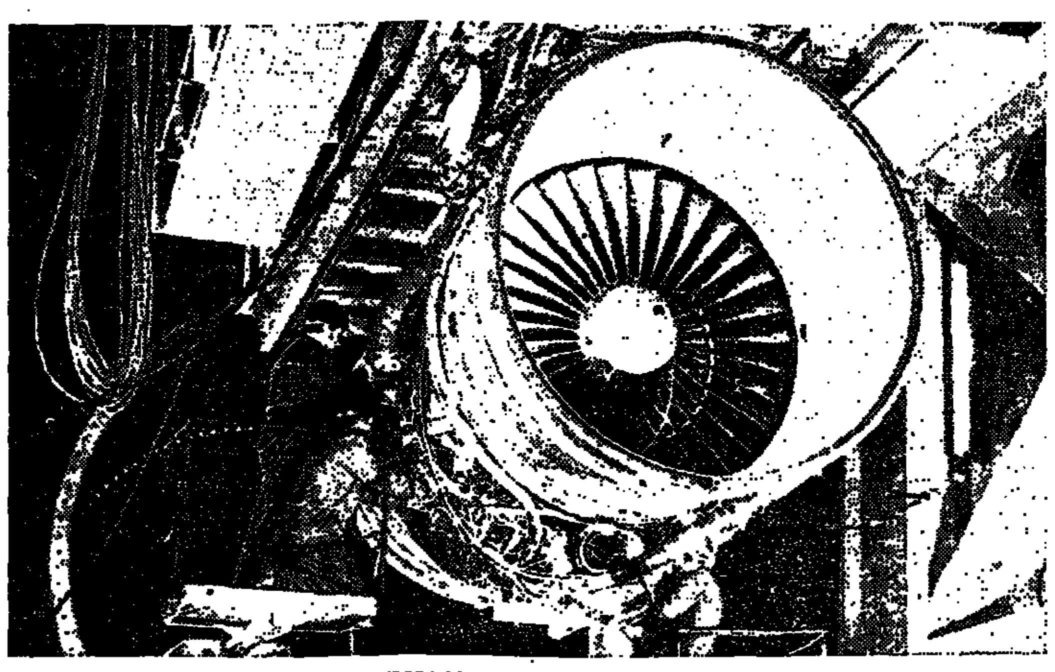
In addition, a small executive committee has been set up to study all the company's major *decisions. This is in response* to a perceived need for better co-ordination of company policy. *Its members include the* recently appointed finance director, and the chairman is Mr. Ashley Raeburn, a newly appointed vice chairman of the company. He joined in 1978, *originally in a non executive* capacity, and came from Shell. There he worked for many years *with Sir Frank McFadzean, who* is widely expected to be the next chairman of Rolls-Royce.

The company's *critics* say that these changes should have been implemented earlier, *before the surge in orders took* place. Rolls-Royce remains *convinced that its priorities* have been correct, and that its financial objectives are attainable.

Everyone, however, agrees on two issues. The first is that the *current* level of sterling poses a serious threat to the potential profitability of the order book. Most of last year's orders were taken on the assumption that the exchange rate would average $1.80 over the next five years. Sir Kenneth has said that by 1982-83, a movement of 1 cent in the sterling exchange rate will make a difference of £3½m to profits on the bottom line.

The other point of agreement is that output and productivity *at* Rolls-Royce must improve radically. The total number of employees is not going to *increase* much in the early 1980s. Instead, the company is counting on much improved working methods within its own factories and a greatly increased use of *sub-contractors*. Given the current industrial climate in the UK, this will require production management skills of the highest order.

Although the factories have been working *perhaps 10* per cent more effectively than a year ago, the impact has been *offset* by the national engineering dispute. As a result, the company is for the moment *several weeks behind schedule* with the Dash 535 engine for the new Boeing 757.



The new RB211-535 engine for the Boeing 757

The yardstick by which Rolls-Royce will have to be judged is the performance of its two big U.S. competitors, Pratt and Whitney and General Electric. A survey earlier this year showed that output per worker was sometimes two or three times greater than in the UK. This was not the result of better capital equipment—which was frequently older than that used by Rolls-Royce. But the U.S. plants were much more simply laid out; there was a tighter and more personal system of supervision; and the use of manpower was more flexible and efficient.

Crude comparisons are dangerous. But for what it is worth, Pratt's aero engine sales last year were *about* $2½bn (nearly £1¼bn) from a workforce numbering 49,000. Rolls-Royce *had sales of £763m* and 57,000 employees.

The UK company's performance *in the next three years* will be critical. If all goes to plan, its working capital needs should reach a peak *in 1982*, and thereafter a much increased level of output should transform the financial position.

It is still not clear how much public money Rolls-Royce is going to need over this period. One favourable factor is that the market place at last seems to be getting a little less cut throat. Pratt and Whitney has recently increased its prices for *spares and new engines, and* Rolls-Royce is set to do likewise. Against that, however, *rising* oil prices and a *faltering* world economy have already left a dent in the finances of some of the airline customers.

The company has not yet submitted its 1980 budget or its five-year plan to the NEB for approval, as it is required to under the memorandum of understanding which is meant to govern its relationship with its shareholder. Rolls-Royce has not—as widely suggested—asked for a total of £600m or more to cover its needs for the next five years.

Figures of this magnitude were thrown up by a company analysis earlier this year, but both Rolls-Royce and the NEB believed that the numbers could be *whittled back by good house*keeping. Anyway, the company believes that it is much more *realistic to work on a shorter* time scale, and that forecasts of profits four or five years ahead *are virtually worthless.*

Requirements

With this in mind, it has been drawing up its requirements through to the end of 1981. The numbers are apparently quite a bit less than recent suggestions: as important, only two-fifths of the total will have to come from the Government. Another two-fifths will come direct from the financial markets, and the remaining fifth will come in other ways—*including* a more efficient use of group funds.

Admittedly private sector borrowing on any scale is only made possible by the existence of what amounts to a "comfort letter," which commits the Government to stand behind the business. The company's own balance sheet—with net worth of just £272m at the last count—is not strong enough to support big bank loans independently.

But the Government is *unlikely to worry about such* nice distinctions in its present mood. The money is not being *poured into a hole in the profit* and loss account, as has been the case with BL. Instead, it is being used to support future sales, the ultimate success or failure of which will not be apparent for some years. That may seem a satisfactory price to pay for what is perhaps the one important technology in which the UK remains a world leader.

The current issue is whether Rolls-Royce should continue to report to the NEB or whether—as its Board wishes—it should have direct access to the Government through the Department of Industry.

In a sense, however, this may be a matter of secondary importance. The company needs to be set saisfactory and public financial targets, so that the taxpayer knows what he is in for. It must also establish a reasonable working relationship with its monitoring body. Given all that, it may not make much difference whose name plate is on the door. *The fact* is that neither the NEB nor any other Government body can be responsible for day to day management of the company. *The key* job of any shareholder is to pick the right managers, and *fire them if they fail.*

One of the main requirements of Rolls-Royce in the immediate future will be the appointment of a chief executive capable of getting the big jet engines delivered on time and on budget. He will have to secure the right trade off between what the company needs to achieve technically and what it can finance. It will be one of the toughest jobs in British industry.

Malcolm Rutherford's political column will be published tomorrow.

Letters to the Editor

BL's sacked sleepers

From the City Architect and Planning Officer, Cambridge.

Sir,—Is BL missing the point? The men slept because they had finished their quota in half the time by dipping two bodies at once instead of one. Is BL now *redesigning* the machine to dip two, three, four or more at once in the interests of achieving higher productivity—and perhaps putting more men out of work? Are we all mad?

J. M. Milner,
The Guildhall,
Cambridge.

America's use of energy

From Mr. J. Hutton.

Sir,—Mr. J. M. Weiner (November 13) draws attention to the facts of life which Americans must face in respect to energy supplies. Other facts which they might also reflect on are shown by statistics included in the World Bank *World Development Report 1979*—

Countries	Per capita energy consumption (Kilograms of coal equivalent) 1960	1976
Industrialised		
U.S.	8,172	11,554
Others (average)	4,462	7,079
Middle Income (average)	393	916
Low income (average)	113	166

Moreover, America's energy *co-efficient of energy consump*tion per $GDP kilograms of coal equivalent is also not particularly *favourable being, in 1976*, 1.5 compared to the average of 1.1 for the industrialised *countries* as a whole. In short, America is not only highly dependent on oil imports but it *is also* extremely extravagant as a user of energy, both in terms of total magnitude and in relation *to its* use of energy in creating new economic growth.

The question might well be asked, given the degree of America's present energy dependency, what hopes for the *rest of us?*

John Hutton.
(Senior Directing Staff),
The Administrative Staff College,
Greenlands, Henley-on-Thames, Oxfordshire.

Reserves and provisions

From Mr. R. Waldron.

Sir,—May I start by complimenting Michael Lafferty on his article of November 5, which I thought the first indication for some time in public of a habit to which I alluded in another journal a month or two ago.

The Companies Acts make specific rules for provisions and distinguish them from reserves. The accountancy profession, having decided that "reserve *accounting*" was undesirable, then issued accounting standards which effectively killed the use of reserves which, if disclosed, fulfilled a useful purpose in accounts and one quite distinct from provisions.

Bad debts for which a specific provision is made are effectively written off and there is no problem. Doubtful debts against which there is a "specific reserve" must surely be a sort of contingent loss, and the reserve remains a reserve and not a provision. A "general provision" for "bad and doubtful debts" (still in practice often described in the book s of account as a reserve) is in fact a reserve and in law should be shown. The only flexibility allowed in the Companies Acts is where a sum it not material, or where specific permission has been granted by the Department of Trade.

It is *not only* bankers who have largely ignored the law. It has been ignored by most companies with, *one suspects*, the tacit encouragement of auditors, who see prudence as desirable in all things *and under-state*ment as a virtue in contradistinction to overstatement, and *(to be safe)* almost to truth, though one has to admit that truth is difficult to establish.

Would banks (and others) really suffer by obeying the rules?

R. S. *Waldron,*
8 Broadoaks Way.
Bromley, Kent.

Directors' conduct

From Mr. R. Instone

Sir,—My learned friend Leo Price takes 17 column-inches (November 13) to expound the view that, because it is difficult to formulate the offence of insider dealing with precision, the attempt should be abandoned as lamentable, perilous, constitutionally unsound, monstrous and unprincipled.

As a fairly recent and reluctant convert to the opposite view (ably expressed by you, Sir, in a leading article on October 24), may I make two points which do not need the support of colourful adjectives?

Practitioners have long been familiar with criminal sections of the Companies Act 1948 which are difficult to apply to particular facts. It is, for example, seldom possible to advise with confidence that a given course of action would result, or has already resulted in a contravention of section 54 (financial assistance by a company for the acquisition of its own shares) or section 332 (fraudulent trading), but I have yet to hear any howls of outrage that these sections continue to disfigure the statute-book.

There are two arguments from expediency which strongly reinforce the case for legislation. Many who would face with indifference the relatively remote risk of being made liable in civil proceedings to disgorge the profits from insider dealing are likely to be deterred from it if it is made a criminal offence. And if it is, civil proceedings for damages for participating in a criminal conspiracy could be instituted against people who could not otherwise be made liable to disgorge *such profits*. Once the profit has been put at risk, the game will seldom be worth the candle.

Ralph Instone.
7, New Square,
Lincolns Inn, WC2.

Local authority pensions

From the Chief Executive, Somerset County Council

Sir,—Lest any reader construe the heading to Raymond Nottage's *article* (November 13) to mean that pensions paid from the funded local government superannuation scheme are more generous than the unfunded schemes for policemen, firemen and civil servants the converse is in fact true. Despite this and even as a local government employee I am not convinced that "pay as you go" is the right principle. I favour the present principle "pay as you incur the liabilities," at least this gives a better financial *appreciation of the true cost of* pension schemes and perhaps incidentally makes some savings *available for industry.*

For all the lofty arguments in support of the Nottage line it boils down quite simply to a case of "live now, pay later" and isn't this one of the causes of the nation's economic problems?

J. E. Whittaker.
County Hall,
Taunton, Somerset.

Notional funding

From Mr. D. Gilling-Smith

Sir,—Mr. Raymond Nottage (November 13) in the pursuit of his one man vendetta against *properly funded pension* schemes has, on this occasion, picked a particularly unfor*tunate example of financial mis*management on which to argue his case.

He talks about public sector employees not needing the security of properly funded pen*sion schemes because they can* be given "Government guarantees." The teachers were given civil service non-contributory pensions under the 1918 *H. A. L. Fisher Education Act but these were chopped as part* of an economy measure in 1922. What is the value of a *Government guarantee when* Governments can make and break promises with impunity?

Under the teachers notional fund, successive Governments pocketed the combined em*ployer/employee contributions* in exchange for an IOU carrying a mere 3½ per cent notional *interest in perpetuity long after* the earnings of genuine funds had moved into double figures. *Belatedly, but only after* decades of lobbying by teacher associations, adjustments were *made to the interest formula* but the net loss to the teachers fund over the 20 years 1956-76 *has been estimated by indepen*dent actuaries as over £2bn. Moral—whatever the theoretical *case for or against a real fund*, it is the best protection the members have against financial *mismanagement and/or outright* chicanery.

If employers' pension contri*bution* rates are *derived from* unrealistic investment returns, then these contribution rates *will differ from those required* in a genuine fund. This distortion can have serious repercussions. For decades, teachers had no proper widows' pensions until they set up their own self-help teacher-pay-all scheme because the cost was considered unacceptably high by the local authorities, the employers, who themselves had good reason to *dislike a scheme which required* them to pay higher contributions than would have been necessary under a properly funded scheme.

Yet another danger arises from the use of the notional fund as a source of cheap Government finance. The net cash flow to the Exchequer from the teachers' scheme in the last *year* of the most recent quinquennial valuation (1975-76) amounted to some £250m—*fairly close to the total yield* from capital transfer tax and with no collection costs and no scope for tax avoidance.

Absence of the financial discipline of proper funding can have consequences that reach beyond the adverse effects on the employers and employees concerned. Unrealistic cost figures in any walk of life can lead to wrong decisions. Over*statement* of costs in pensions can deprive employees of benefits that might reasonably *have been afforded* (as with teachers). Under-statement of costs, as in most pay-as-you-go state *pension schemes* means that pensions look cheap in the short term. When the true cost emerges, *it either imposes* an unbearable strain on the public purse, fuelling inflation, or the Government of the day *has to* break faith with its citizens and chop benefits. The psychological damage to a nation of this latter course may be difficult to quantify in financial terms but it is a very real cost.

The financial management of many UK pension schemes offers very considerable scope for improvement. Pensions managers see their main job in life as achieving these improvements. Edward Johnston, the present Government Actuary, deserves credit for the major contribution he has made to the task of reforming the finances of public sector schemes, including the teachers' scheme. But the shortcomings such as they are of funded schemes are no good reason for "doing it the Nottage way." The scheme he cites as a model is probably the best example he could have chosen of how not to do it.

Dryden Gilling-Smith.
38, Finsbury Square, EC2.

Industrial tribunals

From the Chairman,
MFI Furniture Centres

Sir,—In recent months there has been a *lot of discussion* about employment protection legislation and its possible dis*couraging effect on employment* especially in small companies. Frequently I have seen it stated that the present *legislation is* no disincentive because "the majority of Industrial Tribunal cases are won by the *employer*." My company has just "won" a case before an Industrial Tribunal and your readers may be interested to know both the facts and the implications.

We recently opened a new store in the Isle of Wight and interviewed many applicants *for*, among *other* jobs, the post of stock controller. We had six interviewers who interviewed 61 people at the Job Centre, 57 women and four men. An applicant alleged subsequently that one of our interviewers whispered to him that the job he was applying for was "for women only." He complained to the Equal Opportunities Commission who, I understand, advised him to submit a claim under the Sex Discrimination *Act. The Advisory, Conciliation* and Arbitration Service appointed a conciliation officer and settlement figures were mentioned from £620 to £200—which were rejected by us. The claimant then referred the matter again to the Equal Opportunities Commission who, I understand, advised him to proceed with the claim.

So far you may feel the sequence of events was understandable. It might have been, *had there been any truth* in the claim. But the facts were that not only was the job not restricted to *women but one of* the only four men who applied was appointed and he had five years' relevant experience. How could the EOC possibly believe that the unsuccessful applicant had a claim in the face of those facts?

We determined we would fight the case. The Tribunal was held at Southampton, 70 miles from our head office and lasted for three hours. We instructed a solicitor; our personnel manager also attended and we had to provide four of the six interviewers to be available as witnesses — we were fortunately able to exclude two who did not tally with the description given by the appli*cant of his interviewer*. The cost to the company in legal and travelling expenses and *wasted management* time has been considerable: there are those who would say, "Why *didn't you pay the* £200 and have done with it?" We believe that as a major retailer we *cannot give in to demands of* this sort and that if we were to do so, there would be even more *frequent vexatious claims* than we experience at the moment.

But when news of this absurd case is reported in the local Press, I wonder how many small employers will decide that the recruitment of more staff is a hazard that they can well do without?

J. W. Seabright.
MFI Furniture Centres,
North End Road,
Wembley, Middlesex.

Cars, cyclists and motorbikes

From Mr. D. Ford

Sir,—Oh dear, where does Dr. David Carrick (Executive Health, November 12) get his information? On the subject of motorbikes, he says: "Any 16-year-old can buy one of these unstable monsters and let his exhilaration exceed his experience." Let's leave the "unstable monsters" bit alone this time —everyone's entitled to their own views, though I pity Dr. Carrick's . . . .

Sixteen-year-olds, if they've the money, can certainly buy any motorbike (or car) they like. They cannot use them, however, until they are at least 17, unless the machine they've chosen is a "moped," that is, it is no larger than 50 cc and has a design top speed of 30 mph. That's outright top whack, too. Any reasonably healthy (executive?) human could out-accelerate many of them on his own two feet. While the average pedal cycle is faster than any moped, in the right circumstances.

When will pedal cyclists have to wear helmets, register their vehicles, carry L-plates, take Ministry tests? When will they be clobbered for riding at night without lights? (We have *a saying* hereabouts that 90 per cent of cyclists don't use lights, and the other 10 per cent use *the pavements*).

Dr. Carrick is quite right that many accidents—some say up to 70 per cent—are caused by car drivers, and are not the fault of the moped rider or motorcyclist. He's also quite correct in suggesting that a newly "approved" learner driver can drive his Jaguar XJS at 70 mph on the motorway, in the dark, through the snow, on his own —none of which he has done before—and still be considered a proficient road-user.

David Ford,
273, Worcester Road,
Malvern Link, Worcs.

Today's Events

GENERAL

UK: Ford Motor Company replies to manual workers' pay claim.

Pay talks resume between National Union of Seamen and General Council of British Shipping.

Sir Keith Joseph, Industry Secretary, speaks at Bradford Chamber of Commerce.

Rate Support Grant announced.

Sir Peter Gadsden, Lord Mayor of London, opens Kenya-Malaysia - Singapore Plywood *Manufacturers'* Association conference, London.

Mr. Norman Lamont, Parliamentary Under-Secretary for Energy, addresses Electrical

Power Engineers' Association annual school, Edinburgh.

IATA symposium on the North Atlantic air travel experiment, London.

Overseas: Last day of European Parliament session, Strasbourg.

President Kenneth Kaunda of Zambia on visit to Baghdad.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills.

OFFICIAL STATISTICS

Retail prices index for October. Tax and price index (October). Preliminary estimate of gross domestic product based on output data (third quarter).

COMPANY MEETINGS

Electronic Machine, Winchester House, 100, Old Broad Street, EC, 12. Greencoat Properties, Connaught Rooms, Great Queen Street, WC, 12.

COMPANY RESULTS

Final dividends: Cardiff Malting. HTV group. Northern American Trust. Town Centre Securities. Interim dividends: Bremar Trust. Fobel International. John Foster and Son. Highgate Optical and Industrial. F. H. Lloyd Holdings. Interim figures: Lamont Holdings. Walker and Staff Holdings.

UK COMPANY NEWS

R. Dutch Shell earnings top £2bn at nine months

THIRD QUARTER net income of the Royal Dutch/Shell Group jumped from a restated £293m to £720m, bringing the total for the first nine months of 1979 up to £2.05bn, compared with £687m.

The quarter's income was substantially affected, at a time of steeply rising prices, by the FIFO method of inventory accounting used by most Shell companies by currency translation effects and by the release of UK stock relief provisions for the period from 1973.

Adjusting for these items, net income for the quarter was up about 35 per cent. On the same basis the income figure for the nine months show a rise of some 30 per cent. The directors point out that the quarter was marked by considerable oil supply problems and uncertainties and the main effort of the Shell companies was directed towards meeting customer requirements.

The third quarter net income was struck after net currency translation losses of £167m (£28m gain): in the nine months the loss was £43m against £163m.

While the majority of international oil companies follow the LIFO inventory accounting method group income is largely accounted for by on the FFO method. In the third quarter net income before currency translation effects, was higher by some £300m and in the nine months by some £700m in comparison with following the LIFO method. In the same period of 1978 the corresponding effects were negative by about £50m and £110m.

The directors report that in the quarter a reduction of £161m was made in deferred tax in the UK which represents a release of UK stock relief provisions for the period from 1973, of which £19m is in respect of provisions made in the first half of this year. This gives a net figure for the nine months of £142m.

In the first nine months of the year some £1.35bn was used to meet increases in working capital as a result of higher crude oil prices and a reduction in credit terms afforded by crude suppliers. In addition almost £1.6bn was devoted to capital expenditure and investments, of which some £800m was spent on the search for and development of oil and natural gas resources.

Shell Oil of the U.S. reported higher dollar earnings in the third quarter, due to higher crude oil and natural gas prices and increased volumes of chemical products. Shell Canada's dollar earnings also improved substantially reflecting improved increased oil products and chemical earnings.

Compared with the third quarter of 1978 these improvements when expressed in sterling were entirely offset as a result of a weakening in the North American currencies.

Excluding Shell Oil and Shell Canada, sales volumes of oil products were lower by 3.5 per cent than in the third quarter of 1978. As a result of reduced supply availability crude oil sales volumes were lower than a year ago, and the group was not able to rebuild fully its stocks to the *levels desirable.*

The directors report that the improvement in oil trading earnings shown in the previous quarter continued. This is to some extent the result of the heavy investment over the years in ventures such as the North Sea exploration and production.

Outside North America sales volume of natural gas were 6 per cent down on the third quarter of 1978, while sales volumes of chemicals increased by 4 per cent.

	Nine months 1979 £m	1978 £m
REVENUES:		
Sales proceeds	24,830	21,393
Sales taxes, duties	4,947	4,579
Leaving	19,883	16,814
Other revenues	539	473
Share of associates	389	201
Interest income	234	170
Making	21,045	17,658
COSTS & EXPENSES:		
Purchases, expenses	14,048	12,385
Selling, expenses	1,673	1,931
Exploration	251	247
Research and dev.	135	131
Depreciation, etc.	631	529
Interest expense	252	261
Taxation	1,863	1,366
Minority interests	144	121
Making	18,997	16,971
Net income	2,048	687
* Restated.	Thousand	
Crude supply:	barrels daily	
Europe	325	192
Africa	500	502
Middle East	1,437	1,703
Far East, Australasia	143	128
U.S.A.	560	568
Canada	76	63
Rest of W. Hemisphere	222	228
Local purchases	1,312	1,201
Total	4,575	4,585
EXPENDITURE:	£m	£m
Europe	606	656
Rest of E. Hemisphere	264	203
U.S.A.	541	597
Canada	76	128
Rest of W. Hemisphere	24	28
Tankers	34	27
Total	1,545	1,638
FINANCIAL DATA:		
Cash and short-term securities	2,795	2,510
Long-term debt	3,239	3,630

See Lex

HIGHLIGHTS

It was a day of chaos in the financial markets as the City tried to adjust to the record 17 per cent MLR and the subsequent official manoeuvres in the gilt-edged market culminating in the appearance after the close of a new "tap" stock. The Lex column assesses the confused situation and also takes a look at the two big company stories of the day. **Royal Dutch Shell Group** continues to provide bumper figures boosted by soaring crude oil prices and **Boots** chips in some disappointing figures, despite a healthy performance from its retailing operation. On the inside pages there are comments on other major companies including **Royal Insurance, British Sugar, British and Commonwealth Shipping, Land Securities and Ultramar.** Comments are also made on the poor results from **John Beales** and the flat figures from **LWT.**

LWT sees reduced profits this year

INCREASED profits for the year ended July 29, 1979 are reported by LWT (Holdings) but following the effects of the ITV strike, *it is certain that the current* year's profit will be very sharply reduced, Mr. John Freeman, chairman, tells shareholders.

Pre-tax profits for 1978-79 increased from £6.51m to £6.91m after paying the Exchequer levy of £7.25m against £6.93m. Turnover was higher at £70.51m against £40.57m.

Earnings per share are stated as 22.24p against 20.87p and the total dividend is lifted from 9.28p to 9.89p, with a final of 5.9835p.

The accounts include a full year's contribution from Hutchinson and a first contribution from *Page and Moy (Holdings)* acquired on March 2, 1979.

The previous year's results included a profit of £767,000 from the sale of listed investments compared with £72,000 in the year under review.

The chairman says the extent of the current year's shortfall depends on how quickly the company can win back the loyalty of its audience and the support of advertisers.

The programme prospects for the next year look good despite the break in production; and the company will adhere, as far as possible in difficult circumstances, to its policy of ploughing back profit into investment for the future.

Hutchinson also has been adversely affected by a downturn in the book trade. On the other hand, Page and Moy is currently trading with notable success. The board is confident that the present problems are temporary "and that they can *and will be overcome*," says the chairman.

	Year 1978-79 £000	1977-78 £000
Turnover	70,513	40,572
Profit	14,169	13,446
Exchequer levy	7,254	6,933
Profit before tax	6,915	6,513
Tax	3,178	3,140
Net profit	3,737	3,373
Extraordinary item	269	—
Minorities	143	—
Dividends	1,599	1,500
Retained	1,726	1,873

● comment

Adjusting for the profit from the 1977-78 sale of gilts, and stripping out the contributions from new acquisitions, LWT's earnings are static. At face value this looks disappointing, especially as advertising revenue was roughly a fifth higher in line with other independent programme contractors. The explanation is that LWT has been spending a lot more on new programmes as an investment for the future. For the current year the outlook is not very cheerful given the effects of the 11-week industrial dispute and the downturn at Hutchinson—a view reflected in the ratings. At 124p, the p/e stands at 5.3 while the yield is touching 12 per cent.

Royal cuts underwriting loss in third quarter

A SUCCESFUL third quarter operation is reported by Royal Insurance, with an underwriting loss of only £200,000, despite the impact of hurricanes David and Frederic, which cost the group nearly £7m.

Even though investment income remained buoyant, pre-tax profit deteriorated further from the results of last year, amounting at the nine months stage to £91.1m compared with £112.4m. Net profits attributable to the company declined from £66.7m to £51.4m, with the earnings per share being 34.2p against 44.4p.

The sterling value of general insurance premiums written over the first nine months declined by 1.4 per cent from £941.4m to £928.3m. But allowing for changes in exchange rates, the underlying growth in premiums was 7 per cent — a slower rate than with the other UK composites operating actively in the U.S., but in line with company expectations.

A third quarter underwriting loss of £5.9m in the U.S., set the overall loss for nine months down to £13.7m compared with a £2.5m profit. This third quarter loss, *however,* was almost *totally* accounted for by the hurricane damage, although automobile and workers compensation business remain difficult. The company reports better results in general liability business. The operating ratio over the period was 102.8 against 98.0 for the first nine months of 1978 and 96.8 for the whole of last year.

In the UK, however, an underwriting profit of £7.5m was achieved in the third quarter, despite continued losses in the household account. Thus the losses of the first quarter, arising from the severe winter weather, have been fully offset —the underwriting profit of £6.4m at the nine month stage is only £1.3m less than in 1978. The commercial property account remains good with a light experience and the motor account has now broken even over the period. But the company warns a need for an increase in house building premium rates.

In Canada, where the company is the largest single insurer, the insurance market has remained difficult in the wake of the effects left behind by the Anti-Inflation Board. Premium rates have been artificially depressed and the company incurred a loss of £6.2m (£8.6m profit). The company has had rate increases in the spring for commercial property and in the middle of the year for automobiles.

Australia was another country where trading conditions remained extremely difficult and higher underwriting losses were recorded amounting to £3.4m, against only £400,000 in 1978. But in the Netherlands, there was an underwriting profit of £4.7m over the period, although losses in other European countries partially offset this improvement. The company has benefited in the Netherlands from the pruning of business and a sensible motor rate increase.

Investment income rose by 6.2 per cent from £88.6m to £94.1m. Underlying growth, allowing for exchange rate changes, was 14.8 per cent. However, this growth was lower than could have been expected arising from the company's investment in Aachen and Munich Re. This has been compensated by a rise in associates' profit from £1.3m to £5.m.

● comment

Royal's nine-month figures are near the top end of the market's expectations, but present a rather patchy picture for the analysts. U.S. underwriting plunged further into the red, thanks to David and Frederic. Canada and Australia have deteriorated, but UK and the Netherlands had very good third quarters. Even though the fourth quarter is traditionally a good period, pre-tax profits for this year are likely to be 10-15 per cent down on 1978's record level. The outlook for 1980 depends very much on Royal riding out the downcycle in the U.S., and maintaining the current trend in the UK and getting the losses down in Canada. Even so, 1980 is not expected to be much better than this year and any improvement may have to wait until 1981. The shares improved 4p to 292p, which gives Royal a prospective yield of at least 10 per cent.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Anglo-Scottish Tst.		1.3‖	Jan. 4	1.1	2.1	1.8
Atlanta Baltimore	Tst.	0.85	Jan. 7	0.75	0.85	0.75
John Beales	int.	Nil	—	1.4	—	3.22
Black Arrow	int.	0.9	Jan. 2	0.7	—	2.2
Boots	int.	2.88	Jan. 10	2.5	—	6
B and C Shipping	int	5.5	Jan. 8	4.75	—§	10.59
Brit. Industries Genl.		2.9	Dec. 21	2.3	4.4	3.8
British Sugar		5.89	—	3.65	7.7	5.3
Caledonia Invs.	int.	5.5	Jan. 9	4.13	—§	9.65
Amos Hinton	int	1.8	Jan. 15	1.6	—	3.3
Leopold Joseph Hgs.	int.	1.88	Jan. 3	1.88	—	9.5
Land Securities	int.‡	2.5	Dec. 17	1.5	—	6.5
Dep	int.	4	—	3.85	—	12.5
LWT		5.98	Dec. 14	5.73	9.89	9.28
Manganese Bronze		2.17	—	2.1	2.17	2.1
Morland		2.25	—	1.11*	3.0	1.8*
Nichols (Vimto)	int.	5	Jan. 10	2.75	—	6.25
Valor	int.	0.77	—	0.64*	—	2.08*
Witan Inv.	int.	1.5	Feb. 1	1.2	—¶	2.65

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Increased to reduce disparity. § Forecast 7p final. ¶ Forecast 1.75p final. ‖ Plus special non-recurring dividend of 0.4p.

B. & C. Shipping sets target at £27m

REPORTING AN increase of £355,000 in first-half taxable profits, the directors of the British and Commonwealth Shipping Company say they are looking for a full year figure of around £27.25m. compared with £26.59m previously.

Profits for the first six months of 1979 rose from £13.27m to £13.63m and the directors say that present indications suggest the second-half result will approximate with that now reported.

Turnover for the period advanced from £121.5m to £134.8m and profits from shipping, aviation and other activities reached £16.72m (£16.54m). After depreciation, however, the operating surplus slipped marginally from £8.79m to £8.7m.

The directors say the overall result was largely in line with expectations except for the sharp downturn in the air transport activity, which arose mainly from the difficulties suffered by fixed wing interests where various adverse factors have combined against the group.

An analysis of operating profits shows (with £000's omitted): shipping £198 (£120 loss), air transport £3,003 (£4,936), aviation support services £1,593 (£1,127), leisure £275 (£43), office equipment £1,487 (£1,402), other activities £1,092 (£1,322), and profit on sale of ships £1,048 (£75).

Stated after-tax earnings rose from 16.2p to 17.4p per 50p share. The net interim dividend is lifted from 4.75p to 5.5p per share and subject to profits reaching the full year target, the directors intend to recommend a final of 7p (5.8378p).

Taxable profits of Caledonia Investments, which holds 49 per cent of B. & C. Shipping, went ahead from £1.75m to £2.23m for the six months to September 30, 1979, on turnover of £4.04m, against £2.84m.

The directors say the increase is attributable to a commodity transaction, rather than its two trading groups, Amber Industrial Holdings and Urquhart Engineering Company.

Profits attributable to ordinary holders increased from £1.05m to £1.39m for the six months and the directors anticipate that the full-year figure will show an increase of some 20 per cent *compared with £2.19m previously.*

Half-yearly earnings rose by 1.93p to 7.91p per 25p share. The interim dividend is stepped up from 4.125p to 5.5p net and a final of 7p (5.5258p) is forecast, making the total payment 29.5 per cent higher.

Investment income improved from £1.45m to £1.72m in the half year, while net interest receivable was £98,000 (£118,000).

Trading profits amounted to £606,000 (£320,000), struck before depreciation up from £56,000 to £109,000 and unchanged loan interest of £90,000.

Tax charge increased from £640,000 to £781,000.

Although pre-tax profits of Amber Industrial Holdings, controlled by Caledonia, fell from £186,000 to £160,000 in the September 30, 1979 half-year, the directors say the full year's figure will be close to last year's £391,000.

Turnover for the period rose from £1.71m to £2.17m. Reflecting the anticipated expansion of the cold store and aerosol activities, depreciation was higher at £82,000 (£38,000) and there was an interest charge of £13,000 (£5,000 received).

The new facilities should be fully available early in 1980 and, because profits from the refractory division do not accrue evenly throughout the year, prospects for the second half are expected to improve.

Earnings per 10p share were lower at 2.88p (3.34p), while a special interim dividend of 1.5p has already been paid for the current year.

● comment

Excluding the profit on ship sales, British and Commonwealth operating profits are down by around 12 per cent, largely owing to a sharp drop in air transport earnings. Soaring fuel costs, price wars and bad weather (affecting the fixed-wing fleets of B and C more than most) tell the story. On top of all that, Air Anglia, which receives a good deal of income in guilders, was a victim of the strength of sterling. Shipping, however, showed an impressive turnround and should build on this next year through the new product carriers. Furthermore, few of the aviation problems are likely to recur and the contribution of associated companies is rising usefully. With that in mind, and given the powerful asset backing, the fully-taxed p/e of 7.2 (based on profits of £28m and a 308p share price) does not look too demanding. The prospective yield of 6 per cent is not excessively generous, considering that dividends should be covered more than three times.

Lep rises to £2.4m midterm

TAXABLE PROFITS of the Lep Group increased from £1.95m to £2.44m in the first half of 1979, on turnover £2.16m higher at £29.38m.

The directors of the international freight forwarder say trading in the second half has generally been satisfactory.

The net interim dividend is raised from 3.85p to 4p per 10p share—last year a total of 12.5p was paid from profits of £4.52m.

After tax for the half year of £1.26m (£0.95m), net profit came through ahead from £1m to £1.17m.

Landsit income rises £6m to £17.8 at halfway

PRE-TAX income of Land Securities Investment Trust expanded from £11.48m to £17.8m for the six months ended September 30, 1979. Income for the whole of the 1978/79 year was £26.36m.

Total income was £39.92m against £36.77m, of which rental income amounted to £33.16m compared with £27.64m.

The directors say the growth in rental income reflects the incidence of new lettings and rent reviews in the 1978/79 year, as well as during the September 1979 six months. It is not anticipated that there will be the same growth rate shown over the full 1979/80 year.

To reduce disparity with the final, the net interim dividend is increased to 2.5p (1.5p) per 50p share, and will absorb £5.7m (£3.1m)—last year's final payment was 5p.

After six months tax of £9.26m (£5.97m) the available balance emerged at £8.55m against £5.51m, giving earnings of 3.75p (2.67p) basic per share, and 3.72p (2.68p) fully diluted.

● comment

With its 56 per cent profits rise in the first half, Land Securities' *results have exceeded most market expectations.* However the company is clearly anxious not to overexcite the market and warns that second half growth will be at a somewhat slower pace. The prospect of a sharp jump in interest rates is an obvious consideration but the main reason is that the major portion of this year's rent reviews have occurred in the first six months. An additional factor is that the company is fast running out of space, so new lettings will tail-off. Nevertheless, demand is buoyant and there is a steady stream of rent reviews in the pipeline. The repayment of the U.S. dollar loan and conversion of loan stock, while reducing investment income, has usefully cut borrowings. For the full year a pre-tax figure of up to £37m looks likely (a rise of 40 per cent) while the dividend payout could increase by a fifth. At this level the shares stand at 241p compared with asset value of around 370p, and yield 4.7 per cent.

Linread

Linread is now recovering rapidly after a disastrous start to the current year due to the engineering dispute. But first half results in the UK are bound to be disappointing, says Mr. A. H. Lynall, chairman of the cold forged fastener group.

As reported on October 31, pre-tax profits recovered strongly in the second half of the year to July 28, 1979 to finish ahead from £615,000 to £775,000. Total turnover rose from £15.16m to £16.66m and the aggregate value of goods exported from the UK during the period increased by 41.3 per cent to £1.03m.

The Association of Investment Trust Companies

INVESTMENT TRUST REVIEW

The end of exchange controls brings new opportunities

by Raymond Johnstone, Managing Director, Murray Johnstone Limited; Deputy Chairman, A.I.T.C.

The final ending by the Conservative Government of all exchange control regulations for U.K. residents is a dramatic step. After 40 years of controls, including the penal surrender rule and *different degrees of restraint, investors* are at last free to do what they want with their assets.

The main impact on the City is to create a new freedom to which few who work in it are accustomed. There are, of course, the uncertainties surrounding the effect that the end of exchange restrictions may have on controlling the U.K. monetary position, and the debate about the extent to which the U.K. will be less or more able to insulate itself in the future from world interest rate pressures.

Over the last thirty years, the premier position of London in the world of finance has been gradually eroded, largely due to the inefficiencies introduced by exchange control regulations. Now suddenly all this is *changed, and London should begin* to reassert its influence in a number of spheres.

Initially, many people were rather bemused, and perhaps the reaction of my own firm was fairly typical. On 19th July this year, when the Government introduced its first tier of relaxation, but left still a complicated web of restraints, there was *hectic activity in our office.*

The impact of the regulations was not always clear and certain points needed interpretation from the Bank of England.

Altogether we had a busy time working out and discussing endlessly how to interpret and how best to act within new rules, all of which absorbed a large *amount of thought and energy, and led* to considerable action.

Subsequent Action

But most of the time was spent investigating how to operate within the controls, and a lot of the subsequent action, although necessary because of the new regulations, was fundamentally non-productive.

When it was announced that all exchange controls were to be abolished there was, as well as relief, a sense almost of anti-climax. All the things which had kept so many people active and busy for so long had disappeared and the only decisions left to take were those of pure constructive investment management.

A new management approach was therefore needed and it was significant that, in two or three days, further opportunities *opened up by the new freedom, and which* one had not appreciated before, suddenly emerged.

Not that this means investors should automatically consider investment overseas. There is obviously a certain security for any U.K. resident in holding investments denominated in sterling. When an investor moves to securities in another *country (denominated in another* currency), he opens up a whole new dimension of risk and uncertainty. The realisable value of the investment can after all be seriously affected by exchange movements.

This additional risk will seem of particular importance to anyone who has future sterling liabilities to provide for *from his portfolio. The uncertainty is* clearly important if a long-term view cannot be taken, but where it can, the additional risks are often overestimated.

To give an example, equities represent real assets and, although the relationship is far from perfect, shares representing a stake in say an office block or the profit from selling a basket of groceries should *retain their value over a long period of* time whatever the rate of inflation.

Relative inflation rates between different countries, and I come back to this later, are on the whole reflected in exchange rates over any long period of time, so that the value of an equity which does well in real terms in one country should perform equally well in real terms, over a *period, when viewed in the currency of* another country.

High dealing and running costs on small amounts of stocks and the difficulties of looking after foreign securities and of dealing with complex tax problems, which may arise on a continuing basis, add to the attraction for the private investor of participating through a managed fund.

While currency fluctuations add a new dimension to risk and can produce movements of 30-40% in a relatively short time, one should perhaps rather bear in mind that overseas investment is undertaken to invest in areas where an inherently higher return can be expected.

Furthermore, good currency management, part of the skill of international investment, should be viewed as giving further investment potential rather than adding to risk.

These new found freedoms will undoubtedly give the investment scene a fillip after being shackled by exchange controls for so long. Unquestionably, the *principal restriction on U.K. overseas* investment since 1945 has been the requirement that payment for portfolio investments acquired had to be made in 'investment currency', which had to be acquired in a rather limited market at a premium over the official exchange rate from an investor who was reducing his overseas portfolio.

> Thoughts for investors following the abolition of exchange controls
>
> ★ *UK investors should be considering an increase in the overseas* content of their investment portfolio
>
> ★ Overseas investment is costly, difficult and time consuming—professional management may be the answer
>
> ★ Investment Trusts have the experience, the freedom and advantages to make the most of the opportunities

There were further limitations on holding or dealing in overseas currencies; while loans could be used to finance purchase, there were income penalties; investment exposure was in the market invested in but because of the borrowing, currency exposure remained in sterling, while the *exchange controls precluded buying* currency in the forward market to cover the currency cost of the borrowing in sterling.

While it may sometimes be possible to say that one market is clearly going to outperform another over a certain period, short-term value differences are usually fairly marginal. The existence of the *premium, itself an investment of no* intrinsic value, at best introduced uncertainty into the value of investment overseas and by reducing return has put U.K. investors at a disadvantage compared to their overseas counterparts.

It seems logical that every type of U.K. investor, with this barrier removed, should tend to have a higher proportion of his investment overseas, while those who at present have no overseas investments should consider a change in that *direction.*

There can be only two reasons for investing overseas. The first is in expectation of a better return than could be obtained in the U.K., and the second is to spread risk.

Investors worldwide are becoming increasingly conscious of reducing risk by diversification. Spreading assets between property, fixed interest and equity investments, with a spread of equity investment in different industries is normal, but risk is spread best by buying investments whose returns are as independent from each other as possible. Since all the shares in the stock market of any single country tend to rise or fall together in sympathy with the general market movement, a much greater independence arises when equity invest*ments are bought in different countries.*

Looking for the best returns from investment on a worldwide scale, it is perhaps hardly surprising that it is in general easier to find investments showing higher rates of return in economies which are themselves growing fast. This leads one to look particularly at investment in Japan and in the less developed areas *such as Hong Kong and Malaysia, while* more recently increasing interest has been shown in Brazil, expected to show growth of 8.5% in GNP this year, and the only stockmarket *to have risen* 25% in terms of U.S. dollars over the last two months.

The United States, no longer a high growth economy, continues to be a fertile and successful investment field for U.K. investors because of the large number of companies which can be found there *showing a steady rate of earnings growth* which can be projected with some confidence for several years. This is partly since the U.S. economy is so big that companies which have a large market capitalisation by U.K. standards are small enough in the context of the U.S. economy to be able to continue to gain market share for some years ahead. The number *of companies with visibly good prospects* is much greater in the U.S. than in any other market area.

Finally, there are specific industrial areas overseas, particularly for instance in oil services, certain areas of technology, and mining where an investment can be made whose equivalent cannot be found within the U.K. market.

In determining overseas investment strategy one must initially look at long-term considerations. These include the political background, the economic climate and growth rate and, for individual investments, the return on assets, and profit and dividend growth rates, looking at these in real terms. Overall strategy will also be affected by currency considera*tions and the level and trend of inflation.*

These are of fundamental importance at uncertain times such as these and highly relevant in determining shorter term tactics.

A lot of work is being done to try and forecast currency movements with varying degrees of success. Labour costs per unit of production seems, as one would expect, a good guide to very long-term currency movements but, shorter term, changes in the current account balances (i.e. overall supply and demand) seem to be more relevant. The two are of course related since, if labour costs in one country rise more than in others and if there is no compensating currency adjustment, its trade balance can be expected to deteriorate.

Stock markets in different countries do not move all that closely together, so currency and stock market movements *at times present a profitable opportunity* to alter one's normal strategic balance from one country to another on a relatively short-term view.

The original investment trusts were specifically formed to provide a means of investing overseas with diversity of risk and the various managements *represent a unique pool of experience in* overseas investment markets.

The closed end nature of investment trusts enables the management to take a longer term view in strategy which seems desirable particularly in international investment.

Ability to gear

The ability to gear can now be extended to borrowing in any currency and this enables one to control, to a greater extent than before, currency exposure independently from equity exposure. The results and success of investment policy will also in future be more clearly visible since, in the past, investment performance has been confused by move*ments in the investment currency* premium, while the quality of assets is improved now that there is no premium content.

That elusive factor, the discount, is also high today at an average of 33%. My own view is that investment discounts tend to widen after poor asset performance, and narrow after good perfor*mance. The discount has widened after* the loss of premium had reduced asset values instead of, perhaps more logically, narrowing because of the higher quality of the assets ex premium.

As an investment manager primarily concerned with investment trust management I realise I may not be unbiased, but I hope you will agree with the logic of my *view that U.K. investors really should and* probably will now look to increase their overseas investment content. For the individual, so many factors have to be taken into account when investing overseas that I feel, unless time is of no consequence, management must be left to the professional. Investment trusts are a good vehicle for such investors, with freedom and advantages that are unique. Moreover, discounts at present are at a very high level and are likely to come down, therefore present values give *investors a very good opportunity to* increase overseas interests by buying investment trusts now.

INVESTMENT TRUSTS: net asset values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets *less current liabilities* (1) *£million*	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value *after deducting prior charges* *at nominal value* (6)	*at market value* (7)
	VALUATION MONTHLY					
144.4	Alliance Trust	Ordinary 25p	31/10/79	8.0	267.6	276.0
81.1	Anglo-American Securities Corpn.	Ordinary 25p	31/10/79	3.8	123.3	129.1
121.2	British Investment Trust	Ordinary 25p	31/10/79	5.7	181.7	186.3
26.3	Capital & National Trust	Ord. & "B" Ord. 25p	31/10/79	*5.75	166.4	169.2
12.1	Claverhouse Investment Trust	Ordinary 50p	31/10/79	4.4	121.2	121.2
12.5	Crossfriars Trust	Ordinary 25p	31/10/79	4.17	124.7	124.7
†	Dundee & London Investment Trust	Ordinary 25p	31/10/79	†	†	†
99.6	Edinburgh Investment Trust	Ordinary 25p	31/10/79	2.45	75.5	79.3
39.9	First Scottish American Trust	Ordinary 25p	31/10/79	3.15	114.3	116.3
12.5	Grange Trust	Ordinary 25p	31/10/79	2.4	109.0	113.2
69.1	Great Northern Investment Trust	Ordinary 25p	31/10/79	4.5	135.1	137.7
57.2	Guardian Investment Trust	Ordinary 25p	31/10/79	3.15	104.8	109.5
28.3	Hume Holdings	"A" & "B" Ord. 25p	31/10/79	*5.7	82.0	85.3
74.9	Investors Capital Trust	Ordinary 25p	31/10/79	2.3	98.0	103.7
19.6	Jardine Japan Investment Trust	Ordinary 25p	31/10/79	1.0	117.7	117.7
34.6	London & Holyrood Trust	Ordinary 25p	31/10/79	4.2	149.3	153.1
24.4	London & Montrose Investment Trust	Ordinary 25p	31/10/79	7.15	245.1	249.5
45.5	London & Provincial Trust	Ordinary 25p	31/10/79	3.95	141.0	143.5
113.0	Mercantile Investment Trust	Ordinary 25p	31/10/79	1.7	x55.9	60.4
	Do. Do.	Conv. Debs. 1983	31/10/79	£4.50	£85.10	£90.60
25.7	North Atlantic Securities Corporation	Ordinary 25p	31/10/79	3.75	116.1	119.2
†	Northern American Trust	Ordinary 25p	1/11/79	†	†	†
6.9	Save & Prosper Linked Invest. Trust	Capital Shares	31/10/79	–	144.6	144.6
†	Scottish Investment Trust	Ordinary 25p	31/10/79	†	†	†
61.1	Scottish Northern Investment Trust	Ordinary 25p	31/10/79	2.533	96.9	102.2
103.3	Scottish United Investors	Ordinary 25p	31/10/79	1.5	76.4	78.8
47.6	Second Alliance Trust	Ordinary 25p	31/10/79	7.2	228.6	236.5
3.5	Shires Investment Co.	Ordinary 50p	30/10/79	9.7336	141.8	141.8
40.0	Sterling Trust	Ordinary 25p	31/10/79	6.3	223.9	230.7
27.7	Technology Investment Trust	Ordinary 25p	31/10/79	3.1	138.2	139.5
72.2	United British Securities Trust	Ordinary 25p	31/10/79	5.1	161.0	162.4
21.3	United States & General Trust	Ordinary 25p	31/10/79	6.83	251.8	258.6
80.7	United States Debenture Corporation	Ordinary 25p	31/10/79	4.05	110.1	114.4
	Do. Do.	Conv. Loan 1993	31/10/79	£5.00	£121.10	£125.90
	Baillie Gifford & Co.					
109.0	Scottish Mortgage & Trust	Ordinary 25p	31/10/79	3.9	144.5	147.0
54.9	Monks Investment Trust	Ordinary 25p	31/10/79	1.85	66.7	67.4
14.8	Winterbottom Trust	Ordinary 25p	31/10/79	5.6	267.9	281.1
	Baring Bros. & Co. Ltd.					
41.1	Outwich Investment Trust	Ordinary 25p	5/11/79	2.02	72.4	76.0
22.7	Tribune Investment Trust	Ordinary 25p	25/10/79	1.8	86.9	87.0
	City Financial Administration Ltd.					
16.3	"Investing in Success" Equities	Ordinary 25p	31/10/79	3.35	215.0	218.0
	East of Scotland Investment Managers					
43.8	Aberdeen Trust	Ordinary 25p	31/10/79	4.45	121.0	127.6
	Edinburgh Fund Managers Ltd.					
61.5	American Trust	Ord. & "B" Ord. 25p	31/10/79	*1.55	60.1	62.2
11.6	Crescent Japan Investment Trust	Ordinary 25p	31/10/79	1.3	172.5	172.5
13.5	General Scottish Trust	Ordinary 25p	31/10/79	4.0	117.1	119.4
8.3	Wemyss Investment Co.	Ordinary £1	31/10/79	15.0	367.3	367.3
	Electra Group Services Ltd.					
76.4	Electra Investment Trust	Ordinary 25p	31/10/79	6.3	149.1	149.1
280.5	Globe Investment Trust	Ordinary 25p	31/10/79	5.6	161.3	161.5
37.5	Temple Bar Investment Trust	Ordinary 25p	31/10/79	6.25	124.5	126.9
	F. & C. Group					
‡21.8	Alliance Investment Co.	Ordinary 25p	31/10/79	3.75	146.9	151.3
23.5	Cardinal Investment Co.	Deferred 25p	31/10/79	3.4	126.2	130.2
	Do. Do.	Conv. Loan 1985/87	31/10/79	£6.00	£136.30	£140.60
‡5.1	F. & C. Eurotrust	Ordinary 25p	31/10/79	1.2	61.5	61.5
188.2	Foreign & Colonial Investment Trust	Ordinary 25p	31/10/79	2.2625	111.5	115.9
30.7	General Investors & Trustees	Ordinary 25p	31/10/79	4.5	158.2	162.5
	James Finlay Invest. Management Ltd.					
1.8	Provincial Cities Trust	Ordinary 25p	31/10/79	1.78	36.3	36.3
	Gartmore Investment Ltd.					
6.7	Altifund Ltd.	Income 50p	31/10/79	10.0	102.9	102.9
	Do. Do.	Capital 50p	31/10/79	0.5	264.4	264.4
25.6	Anglo-Scottish Investment Trust	Ordinary 25p	31/10/79	1.9	62.6	65.0
25.6	English & Scottish Investors	Ord. & "B" Ord. 25p	31/10/79	*2.65	107.7	113.4
7.4	Group Investors	Ordinary 25p	31/10/79	2.2	91.9	95.2
5.3	London & Gartmore Investment Trust	Ordinary 50p	31/10/79	0.75	89.0	93.0
9.7	London & Lennox Investment Trust	Ord. & "B" Ord. 25p	31/10/79	*2.0	72.6	74.9
23.4	London & Lomond Investment Trust	Ordinary 25p	31/10/79	2.8	102.6	105.3
11.6	London & Strathclyde Trust	Ordinary 25p	31/10/79	1.8	61.0	64.9
13.5	Meldrum Investment Trust	Ordinary 25p	31/10/79	2.4	67.0	67.0
	Gartmore Investment (Scotland) Ltd.					
69.7	Scottish National Trust	Ordinary 25p	31/10/79	4.65	195.0	198.6
17.3	Glasgow Stockholders Trust	Ordinary 25p	31/10/79	2.85	140.8	144.8
	John Govett & Co. Ltd.					
81.1	Border & Southern Stockholders Trust	Ordinary 10p	31/10/79	2.2	78.7	80.1
12.5	General Stockholders Invest. Trust	Ordinary 12½p	31/10/79	†	151.7	163.6
‡15.7	Govett European Trust	Ordinary 25p	31/10/79	1.8	73.4	73.4
59.7	Lake View Investment Trust	Ordinary 25p	31/10/79	3.0	123.0	126.7
‡60.0	Stockholders Investment Trust	Ordinary 25p	31/10/79	†	126.6	131.4
	G.T. Management Ltd.					
‡20.5	Berry Trust	Ordinary 25p	31/10/79	1.0625	99.3	99.3
	Do. Do.	Conv. Loan 1993	31/10/79	£4.25	£144.00	£144.00
22.9	G.T. Japan Investment Trust	Ordinary 25p	31/10/79	7.0	196.0	x194.6
	Do. Do.	Conv. Loan 1987	31/10/79	£8.50	£121.50	£120.70
‡7.9	Northern Securities Trust	Ordinary 25p	31/10/79	4.0	183.5	189.1
	Hambros Group					
‡23.8	Bishopsgate Trust	Ordinary 25p	31/10/79	6.95	263.8	274.1
4.7	City of Oxford Investment Trust	Ordinary 25p	31/10/79	3.85	102.2	106.1
‡49.9	Hambros Investment Trust	Ordinary 25p	31/10/79	4.1	148.6	158.7
6.3	Rosedimond Investment Trust	Cap. Shares 25p	31/10/79	–	123.0	123.0
	Henderson Administration Ltd.					
‡117.0	Witan Investment	Ord. & "B" Ord. 25p	31/10/79	†	120.2	125.1
21.3	Electric & General Investment	Ordinary 25p	31/10/79	§2.0	108.2	107.3
‡6.8	Greenfriar Investment	Ordinary 25p	31/10/79	1.65	135.9	135.9
‡6.1	Lowland Investment	Ordinary 25p	31/10/79	3.2	77.7	77.7
2.5	English National Investment	Prefd. Ord. 25p	31/10/79	2.14	36.5	37.5
	Do. Do.	Defd. Ord. 25p	31/10/79	3.66	70.9	74.9
	Philip Hill (Management) Ltd.					
‡20.3	City & International Trust	Ordinary 25p	31/10/79	5.7	134.6	139.6
‡11.2	General & Commercial Invest. Trust	Ordinary 25p	31/10/79	6.87	184.1	194.2
‡23.2	General Consolidated Invest. Trust	Ordinary 25p	31/10/79	4.25	114.8	117.6
130.2	Philip Hill Investment Trust	Ordinary 25p	31/10/79	4.57	117.5	119.4
‡5.9	Moorgate Investment Co.	Ordinary 25p	31/10/79	4.74	119.4	121.9
36.9	Nineteen Twenty-Eight Invest. Trust	Ordinary 25p	31/10/79	3.33	85.9	88.9
	Industrial & Commercial Fin. Corpn.					
11.9	London Atlantic Investment Trust	Ordinary 25p	31/10/79	3.85	98.5	99.9
7.9	North British Canadian Invest. Co.	Ordinary 25p	31/10/79	3.55	116.1	116.1
	Ivory & Sime Limited					
57.5	Atlantic Assets Trust	Ordinary 25p	31/10/79	1.0	187.6	194.4
109.2	British Assets Trust	Ordinary 25p	31/10/79	§3.3	92.7	98.0
37.0	Edinburgh American Assets Trust	Ordinary 25p	31/10/79	0.6	68.3	69.8
20.7	Viking Resources Trust	Ordinary 25p	31/10/79	1.32	189.0	189.0
	Keyser Ullmann Ltd.					
11.5	Throgmorton Secured Growth Trust	£1 Capital Loan Stock	31/10/79	–	–	168.2
51.4	Throgmorton Trust	Ordinary 25p	31/10/79	4.875	112.6	114.4
	Kleinwort Benson Ltd.					
28.1	British American & General Trust	Ordinary 25p	31/10/79	§2.067	53.9	55.0
23.1	Brunner Investment Trust	Ordinary 25p	31/10/79	4.0	138.4	141.2
32.2	Charter Trust & Agency	Ordinary 25p	31/10/79	2.45	73.9	76.1
41.1	English & New York Trust	Ordinary 25p	31/10/79	3.5	98.6	100.2
5.3	Family Investment Trust	Ordinary 25p	31/10/79	4.6	120.0	120.0
3.3	Jos Holdings	Ordinary 25p	31/10/79	2.7	66.9	66.9
6.9	London Prudential Invest. Trust	Ordinary 25p	31/10/79	3.45	109.4	112.2
49.9	Merchants Trust	Ordinary 25p	31/10/79	3.25	92.6	96.0
	Lazard Bros. & Co. Ltd.					
47.8	Raeburn Investment Trust	Ordinary 25p	31/10/79	4.05	160.3	166.8
‡37.2	Romney Trust	Ordinary 25p	31/10/79	3.0	117.5	120.0
	Martin Currie & Co., C.A.					
10.7	Canadian & Foreign Investment Trust	Ordinary 25p	31/10/79	4.75	148.2	152.2
19.0	St. Andrew Trust	Ordinary 25p	31/10/79	4.9	152.1	156.6
92.4	Scottish Eastern Investment Trust	Ordinary 25p	31/10/79	§2.9	80.7	83.8
23.1	Scottish Ontario Investment Co.	Ordinary 25p	31/10/79	2.8	80.5	81.8
53.1	Securities Trust of Scotland	Ordinary 25p	31/10/79	4.3	107.5	117.4
	Murray Johnstone Ltd.					
66.8	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	31/10/79	*2.15	91.8	94.6
16.4	Glendevon Investment Trust	Ord. & "B" Ord. 25p	31/10/79	*2.1	120.7	124.1
6.8	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	31/10/79	*1.95	101.8	101.8
45.8	Murray Caledonian	Ord. & "B" Ord. 25p	31/10/79	*2.1	ac97.2	ac100.9
25.3	Murray Northern Investment Trust	Ord. & "B" Ord. 25p	31/10/79	*1.5	71.1	73.6
75.1	Scottish Western Investment Co.	Ord. & "B" Ord. 25p	31/10/79	*1.7	77.1	80.4
	Schroder Wagg Group					
20.8	Ashdown Investment Trust	Ordinary 25p	31/10/79	4.6	177.7	184.0
	Do. Do.	Conv. Loan 1988/93	31/10/79	£4.75	£124.40	£128.80
6.8	Australian & International Trust	Ordinary 50p	31/10/79	3.35	113.8	113.8
28.8	Broadstone Investment Trust	Ordinary 20p	31/10/79	5.7	193.6	201.0
54.2	Continental & Industrial Trust	Ordinary 25p	31/10/79	7.2	290.7	301.0
28.4	Trans-Oceanic Trust	Ordinary 25p	31/10/79	5.5	222.6	228.5
‡12.9	Westpool Investment Trust	Ordinary 25p	31/10/79	3.8	135.3	138.2
	Do. Do.	Conv. Loan 1989/94	31/10/79	£5.00	£121.80	£124.40
	Stewart Fund Managers Ltd.					
75.3	Scottish American Investment Co.	Ordinary 50p	31/10/79	3.25	118.7	119.7
9.8	Scottish European Investment Co.	Ordinary 25p	31/10/79	1.6	54.1	54.1
	Touche Remnant & Co.					
104.8	Atlas Electric & General Trust	Ordinary 25p	31/10/79	2.25	83.0	86.0
31.3	Bankers' Investment Trust	Ordinary 25p	31/10/79	2.87	73.9	78.6
30.9	Cedar Investment Trust	Ordinary 25p	31/10/79	4.0	87.7	90.1
43.3	City of London Brewery	Deferred 25p	31/10/79	3.52	83.0	87.4
29.0	Continental Union Trust	Ordinary 25p	31/10/79	4.25	151.8	157.2
15.7	C.L.R.P. Investment Trust	Ordinary 25p	31/10/79	2.8	93.3	97.6
183.4	Industrial & General Trust	Ordinary 25p	31/10/79	2.15	74.8	77.1
39.3	International Investment Trust	Ordinary 25p	31/10/79	2.94	98.4	103.8
51.4	Sphere Investment Trust	Ordinary 25p	31/10/79	4.0	150.5	155.1
68.7	Trustees Corporation	Ordinary 25p	31/10/79	2.0	69.0	70.9
36.8	Trust Union	Ordinary 25p	31/10/79	2.1	74.5	76.6
	Williams & Glyn's Bank Ltd.					
‡12.0	Sizewell European Investment Trust	Ordinary 10p	31/10/79	2.1	98.3	98.3
‡2.8	Atlanta Baltimore & Chicago	Ordinary 10p	31/10/79	0.75	63.8	63.8
‡3.5	West Coast & Texas Regional	Ordinary 10p	31/10/79	1.1	78.1	78.1
	VALUATION THREE-MONTHLY					
2.6	Cumulus Investment Trust	Ordinary 25p	31/10/79	0.857	43.1	45.1
12.6	Safeguard Industrial Investments	Ordinary 25p	30/9/79	4.7	114.4	116.1
	Carliol/Tyneside Group					
19.1	Carliol Investment Trust	Ordinary 25p	31/7/79	4.5	161.6	167.1
	Do. Do.	Conv. Loan 1994/99	31/7/79	£4.50	£139.00	£143.70
11.3	Tyneside Investment Trust	Ordinary 25p	31/7/79	4.43	155.7	159.7
	Do. Do.	Conv. Loan 1994/99	31/7/79	£4.50	£133.90	£137.30
	East of Scotland Investment Managers					
11.4	Dominion & General Trust	Ordinary 25p	31/8/79	9.0	246.6	256.3
30.1	Pentland Investment Trust	Ordinary 25p	31/8/79	5.0	161.1	165.5

AMENDMENT to table published 19th October, 1979

Valuation Three-Monthly: Rivermoor Management Services Ltd., Moorside Trust. The Total Assets figure of 17.5 in Col. 1 should have shown that there had been a change in the prior charges since the previously published figure.

* Applies to Ordinary/"A" Ordinary only. † Company will announce year-end or interim results shortly. ‡ Change in the prior charges since the previous published figure. § Includes special dividend. sc Adjusted for scrip issue. ar Adjusted for rights issue. x See note (f) below. Φ Not directly comparable with previous published figure. B Dependent on "B" share conversions.

(a) Cols. 1, 6, 7 Listed investments are valued at mid-market prices; unlisted at directors' valuation.

(b) Cols. 1, 6, 7 *All revenue account items are excluded.*

(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal *of investments.*

(d) Cols. 5-7 Amounts per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-7 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.

(e) Col. 5 Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.

(f) Cols. 6-7 Prior charges are deemed to include preference share capital. *Convertible loan/preference stocks* are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges; warrants or subscription rights are treated as unexercised.

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EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.340	—	—	6	7.50	—	—	F.334.50
ABN C	F.360	—	—	1	2.50	—	—	"
AKZ C	F.25	12	2.40	25	2.90	1	3.50	F.25.60
AKZ C	F.27.50	43	0.90	28	1.80	60	2.30	"
AKZ C	F.30	12	0.40	25	0.90	13	1.40	"
AKZ P	F.27.50	38	1.80	—	—	—	—	"
AKZ P	F.30	26	4	10	4.10	—	—	"
ARB C	F.70	3	1.40	—	—	—	—	F.68.60
EK C	$60	—	—	1	7/8	—	—	$42 3/8
HO C	F.25	4	1.40	5	1.80	7	2.50	F.24
HO C	F.27.50	10	0.50	—	—	5	1.40	"
HO C	F.32.50	10	0.10	—	—	—	—	"
IBM C	$65	10	2	10	4 1/8	—	—	$62 3/4
IBM C	$70	10	7/8	—	—	—	—	"
IBM C	$75	9	1/4	—	—	—	—	"
IBM C	$80	10	1/8	—	—	—	—	"
KLM C	F.70	8	7.20	4	10	—	—	F.74.30
KLM C	F.80	40	1.90	—	—	4	5	"
KLM C	F.90	20	0.50	9	1.60	—	—	"
KLM P	F.70	34	2.50	1	3	—	—	"
KLM P	F.80	31	6.80	—	—	—	—	"
KLM P	F.90	20	15	7	14.50	—	—	"
NN C	F.100	4	17	—	—	—	—	F.115.60
NN C	F.110	6	7.80	—	—	—	—	"
NN C	F.115	6	4	—	—	—	—	"
NN C	F.120	2	1.70	1	3.80	8	5	"
PHI C	F.20	1	2.20	—	—	40	3	F.21.80
PHI C	F.22.50	61	0.60	103	1.30	51	1.70	"
PHI C	F.25	—	—	3	0.50	—	—	"
PHI P	F.20	1	0.60	—	—	20	0.60	"
PRD C	$25	—	—	2	3	—	—	$25
PRD C	$30	25	1/2	—	—	—	—	"
RD C	F.135	20	16.80	—	11.20	—	—	F.149.50
RD C	F.145	98	8.50	5	6.50	—	—	"
RD C	F.150	308	5.10	63	4	9	9.50	"
RD C	F.160	323	1.70	167	—	9	4.50	"
RD P	F.135	3	0.40	—	1.70	—	—	"
RD P	F.140	170	0.70	3	2.80	—	—	"
RD P	F.145	167	1.90	21	4	5	5	"
RD P	F.150	176	3.40	27	—	—	—	"
RD P	F.160	370	11	—	—	—	—	"
UNI C	F.115	5	2.80	—	4	—	—	F.116.50
UNI C	F.120	2	1.30	1	—	—	—	"
UNI C	F.125	—	—	10	1.70	—	—	"
UNI C	F.130	—	—	7	1.50	—	—	"
		Nov.		Feb.		May		
OXY C	$25	4	1/8	—	—	—	—	$25 7/8
SLY C	$70	7	22 1/4	—	—	7	25 1/2	$91 1/2
SLY C	$80	10	12	—	—	—	—	"
SLY C	$90	165	2 1/8	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 3066

C=Call P=Put

Boots margins reduced but improvements seen

SALES OF Boots Company, the pharmaceutical and retail chemist group, rose from £480.9m to £545.3m in the half year ended September 30, 1979, but pre-tax profits were static at £50.5m against £51m in the same period last year.

The directors expect the second half to show a better comparative result and that the result for the year will be an improvement over 1978-79 when profits were a record £113m on sales of £1.1bn.

UK retail sales increased by 16½ per cent of which nearly one quarter represented volume growth.

However, net margins have been somewhat reduced by the additional VAT payable on taxable sales, competitive pressures in conditions of slow growth, and the effects of the general levels of wage and salary increases on the group's own staff costs.

	Six months 1979 £m	1978 £m
Sales	545.3	480.9
Trading profit	47.8	50.1
Associates profit	0.3	—
Investments income	5.3	4.0
Interest paid	2.2	1.8
Exchange loss	0.7	1.3
Profit before tax	50.5	51.0
Tax	16.7	16.1
Net profit	33.8	34.9
Minorities	0.2	0.4
Extraordinary credit	2.4	—

Industrial sales of pharmaceutical and agrochemical products at home and overseas, have risen by about 10 per cent in value, but exchange rate movements reduce this increase when translated into sterling, the directors say.

World sales for the period have increased by 13.4 per cent, but trading profits have been reduced by 4.6 per cent.

The Board states that it is expected that current negotiations with the Government will result in an increase in remuneration for dispensing NHS prescriptions. The amount due to Boots, although material, is not yet agreed and no part is provided for in the half-year figures.

First-half pre-tax profits included associated profits of £300,000 (nil), income from short-term investments, £5.3m against £4m, and were struck after interest of £2.2m (£1.8m) and exchange losses, £700,000 (£1.3m). Tax charge is £16.7m compared with £16.1m.

Attributable profits were up from £34.5m to £36m after extraordinary credits of £2.4m (nil) and minorities, £200,000 (£400,000).

See Lex

Anglo-Scottish Trust revenue higher

Gross revenue of the Anglo-Scottish Investment Trust rose from £1.45m to £1.72m in the year ended September 30, 1979. Net revenue was higher at £735,508 against £599,094.

Tax charge is £392,575 (£338,550), giving earnings per share of 2.25p compared with 1.833p.

The final dividend is 1.3p, lifting the year's total from 1.8p to 2.1p. The directors are also declaring a special non-recurring dividend of 0.4p. Net asset value amounts to 68.6p against 66.7p.

Morland profit tops £1m

PRE-TAX PROFITS of Morland and Co., brewer and wine and spirit merchant, rose from £958,509 to £1.13m in the year to September 30, 1979, on increased turnover of £8.69m, against £7.75m.

At halfway, the surplus was ahead from £429,675 to £505,533.

The net total dividend is effectively stepped up from 1.8p to 3p, with a final of 2.25p. Earnings per 25p share are shown to have risen from 5.5p to 6.7p.

Tax takes £588,820, against £513,619. There is an extraordinary credit of £278,162 (£172,596).

Third-quarter jump lifts Ultramar to £42.9m

THIRD quarter profits of £19.07m against £8.56m have lifted the taxable surplus of Ultramar Company to £42.87m for the nine months ended September 30, 1979, compared with £26.7m. This is over £5m ahead of the previous year's total of £37.79m.

Sales for nine months rose £239.05m to £653.35m.

Mr. Campbell L. Nelson, chairman, says that on present indications profits for the last quarter of 1979 should be exceptionally good.

All major divisions produced excellent results, he adds. The Indonesian oil and gas producing operations are showing considerably better results than projected at the beginning of the year largely because of increased prices and more LNG shipments.

Producing operations in the North Sea and Western Canada benefited from higher crude oil prices. There were good third quarter profits from the refining and marketing company in California, and from the UK marketing operation.

In spite of a reduction in sales volume better results were achieved in Eastern Canada, Mr. Nelson states, due to a firming of market prices for petroleum products, and thereby improving the return on the group's refining and marketing investment.

The Canadian Compensation Programme discourages importation of foreign crude oil, the chairman says, and the sharing of Western Canada crude oil currently allocated to refiners in E. Canada is inequitable.

"These factors have penalised our operations," he says.

An interim dividend of 5p per 25p share was paid this month, a switch from the usual "scrip in lieu" which has been in operation since 1966.

Pre-tax figure for the nine months was struck after £22.62m (£9.6m) amortisation, depreciation depletion and amounts written off. These included £11.75m being 75 per cent of the remaining unamortised exploration costs in Iran, where operations have ceased, which would otherwise be written off over a long period on the basis of percentage of oil and gas produced each year from total reserves.

The remaining 25 per cent of unamortised exploration costs in Iran will be written off in the fourth quarter.

Current and deferred tax for the nine months came to £17.56m (£17.98m) and after foreign exchange gains of £1.31m against £6.1m losses last time, preferred dividend and ACT written off, earnings attributable emerged at £25.63m compared with £1.45m.

Before exchange differences, earnings per share are shown as 52.3p (17p) basic, and 47.7p (16.7p) fully diluted.

Cash flow for the nine months was well up at £49.62m against £20.93m.

Mr. Nelson says that the 1978 and 1979 capital expenditure will aggregate about £90m, and the two-year total for the next two years will climb to over £100m.

Most of the group's expenditure is for exploration and development in Indonesia, the North Sea, Western Canada and Egypt. "We are also seeking exploration rights in Australia."

A statement of source and application of funds shows working capital at £37.07m (£32.87m) at September 30, and long term loans at £78.26m (£74.41m).

● comment

The sharp summer rise in world oil prices has resulted in Ultramar's trading profit in the third quarter—at £34.5m—overtaking the £31m recorded in the first two quarters together. The group has taken the opportunity of writing-off its remaining £11.8m exploration costs in Iran—a country it left in 1977. In the first nine months this helped pull down operating profit to £42.9m. At this level the 10p full-year dividend promised in spring looks modest and is likely to prove a minimum. At 360p the prospective yield is 4 per cent.

Brooke Bond still against call to raise Indian wages

THE DIRECTORS of Brooke Bond Liebig are again strongly urging shareholders to reject a resolution to be tabled at next month's AGM calling for "a significant improvement in the wages and conditions of employees" on Indian tea estates.

In a letter to shareholders, Sir Humphrey Prideaux, chairman, reminds them that the resolution—put forward by a small group of holders—was rejected by a "very substantial majority" last year. The Board had explained then that there were severe practical limitations on what the group as a foreign company could achieve. "This situation has not changed," the chairman adds.

The Board confirms that it fully endorses the aim of improving wages and conditions on tea estates in India but the adoption of the resolution would be "interpreted as an indication that its achievement is within our control."

At the annual meeting of James Finlay last July, shareholders protested at the alleged poor pay and conditions of native workers on the company's Asian and African tea estates.

Behind the protest was the World Development Movement, which had made similar complaints at the previous Brooke Bond Liebig AGM.

In his annual statement Sir Humphrey says there has been a shortfall in tea production from North India and, with demand continuing to increase, prices will now be on a rising trend.

In 1978-79, prices were lower than in the previous year, and that inevitably depressed the profits of companies engaged in tea production, he adds. Group taxable profits slipped to £41.03m (£43.84m) in the year to June 30, as reported on October 19.

Sharp, Parsons, Tallon and Company, presently joint auditors with Deloitte Haskins and Sells, have agreed not to seek re-election at the annual meeting.

The directors believe the long-term interest of shareholders "will best be served by having a single firm of auditors of international standing and with international resources." Sharp, Parsons, Tallon will continue as auditors of a number of UK subsidiaries.

It is also proposed at the AGM to increase the directors' ordinary remuneration from £1,000 to £5,000 a year. The meeting will be held at the London Press Centre, EC, on December 7 at 11.30 am.

N. ATLANTIC SECURITIES

U.S. dollar loan facilities of $6.75m and $2.3m were repaid by North Atlantic Securities on November 13, 1979, and have been cancelled.

British Sugar advances by £6.8m—pays 45% more

SECOND HALF profits of British Sugar Corporation advanced from £17.89m to £22.22m taking the total for the year ended September 30, 1979 up 26.6 per cent to a record £32.4m, compared with £25.6m. On a current cost basis the increase was from £14.4m to £17.1m.

Turnover rose from £304m to £381m, representing a 10 per cent rise in volume. Silver Spoon maintained brand leadership and increased market share. The objective is to provide about half of Britain's sugar requirements.

The dividend is being stepped up by 45.3 per cent from 5.3p to 7.7p, with a final of 5.885p. Earnings per 50p share are stated to be up from 40p to 50.7p—on CCA basis the rise is from 21.5p to 25.2p.

Sir Gerald Thorley, chairman, points out that in the last four years the group has increased production capacity by one third, doubled sales and quadrupled profits.

He says that the five year programme to increase the total production capacity of the factories has reached the target figure a year ahead of schedule. The group now has the capacity to produce £1.25m tonnes of sugar in a season of average length.

Sir Gerald says that to complete the expansion and modernisation programme, this year the group is investing £30m on ancillary plant bringing total expenditure over five years to £150m.

The chairman says that the EEC is reviewing member states' sugar production quotas for next year's crop. With the EEC at present supporting substantial exports to the world market, this has led to a demand that all quotas of EEC countries be reduced.

This pressure is irrelevant to BSC's case as it sells sugar only in the UK and has added nothing to the burden of EEC subsidies. However, the group's present quota may still be subject to particular attack in the EEC, says Sir Gerald.

BSC is campaigning vigorously against any quota reduction; "We believe that our record and, above all, our competitive cost efficiency, entitle us to a quota commensurate with our production capacity," he declares.

	1978-79 £000	1977-78 £000
Turnover	381,031	304,223
Profit	39,921	29,374
Interest	7,513	3,798
Profit before tax	32,408	25,576
Tax	1,980	1,567
Net profit	30,428	24,009
Dividends	4,620	3,181
Retained	25,808	20,828

The group balance sheet shows stocks of consumable stores up from £18.22m to £24.87m, stocks of sugar and other products up from £33.65m to £36.62m while debtors are doubled at £22.09m against £11.27m. These increases are reflected in an overdraft increased from £10.77m to £20.6m.

● comment

With a good crop behind it and a capital spending programme now bearing fruit, British Sugar's profits before interest are up 35.9 per cent. But barring a dramatic devaluation of the green pound, improvement in the current year should be minimal. This is borne out by the share price which, at 151p, implies a stated p/e of 2.9. The rating is admittedly depressed by the prospect that the Government will sell its 24 per cent stake in the near future. That aside, margins are being squeezed by steep rises in fuel costs, which must be absorbed by contracts with farmers fixed over a year ago—when inflation forecasts were, with hindsight, too low. Furthermore, the EEC is threatening to cut BSC's sugar quotas, which could result in plant closures and heavy redundancy payments. Looking on the bright side, the group can expect vigorous support from the government and the National Farmers Union in support of its quota claim while borrowings (up 64 per cent over the year) should fall steeply leaving the group with plenty of disposable cash in a few years time. For the time being, although BSC can look forward to a bumpy ride it is in a position to offer shareholders a better return than the current yield of 7.6 per cent.

J. Nichols doubles interim

ON turnover up from £3.38m to £4.71m taxable profits of J. N. Nichols (Vimto), expanded to £879,000 for the six months ended September 30, 1979, compared with £658,000.

And the interim dividend is more than doubled from 2.75p to 6p.

The directors state that given reasonable stability at home and overseas, they anticipate that second half results should be similar to those of the first.

And, in this event, they would hope to recommend a final dividend similar to the interim—last year's final was 3.5p from record profits of £1.28m.

Tax charge for the first half, of this fruit compounds, essences, squashes and cordials manufacturer, took £460,000 against £313,000 leaving a net profit ahead from £345,000 to £419,000.

Stated earnings are up from 17.25p to 20.95p per 25p share.

Manganese Bronze drops to £1.46m at year-end

TAXABLE PROFITS of Manganese Bronze Holdings, the sintered components, bearings and castings group, fell from £1.59m to £1.14m in the second six months ended July 31, 1979, leaving the full year total lower at £1.46m, compared with £2.73m. Turnover rose slightly from £32.7m to £33.98m.

	1978-9 £000	1977-8 £000
Turnover	33,980	32,701
Trading profit	2,214	3,233
Interest	756	507
Profit before tax	1,458	2,726
Tax credit	154	†385
Net profit	1,612	2,341
Extraord. debits	—	164
Available	1,612	2,177
Dividends	312	300
To reserves	1,300	1,877

† Charge.

When reporting a slump in midway profits from £1.14m to £0.32m, the directors said results during the second six months were expected to rise gradually at least to the previous level. First-half losses would not be made good.

Stated yearly earnings dropped from 23.04p to 15.14p per 25p share, while the net dividend is 2.17p, against 2.1034p.

There was a tax credit of £154,000 (£385,000 charge) and after an extraordinary debit of £164,000 last time, available profits declined from £2.18m to £1.61m.

A professional revaluation of the group's freehold and long leasehold properties at July 31, 1979, produced a book surplus of £1.52m.

● comment

Although pre-tax profits at Manganese Bronze Holdings dropped by 46.5 per cent this year, the market was expecting worse; the share price rose 3p to 32p yesterday. The second half has been broadly similar to last year's, which means that the bulk of the £1.27m decline in earnings came in the first six months. Industrial disputes in the motor industry (an important customer) had hurt the group's Sintered Components, Patent Die Castings and Carbodies companies, bringing the first half profit figure down to £322,000. The year-end dividend has been maintained, and is well covered: the yield is about 10 per cent. The prospects for next year will depend to a large part on the industrial scene and the state of the economy, but some recovery could be possible, although not necessarily to 1978 profit levels.

A. Hinton profit more than halved

HIT BY bad weather and the aftermath of the lorry drivers' strike, pre-tax profits of Amos Hinton and Sons, food and drink retailer and distributor, were more than halved from £852,000 to £403,000 for the 28 weeks ended September 15, 1979. Sales, however, rose by £4.8m to £38.47m.

The directors say the company is facing substantial wage increases which will check profits but, in the short term, the potential for improved profitability is considerable.

Profits in the previous full year fell from a record £1.73m to £1.36m.

Half-yearly earnings slumped from 10.85p to 4.4p per 10p share, while the net interim dividend is raised to 1.8p (1.6p)—the final last time was 1.69683p.

Tax for the period took £161,000 against £256,500, leaving net profits down from £596,000 to £242,000.

L. Joseph steady at midterm

DESPITE difficult conditions in money markets caused by the rise in interest rates, pre-tax profits of Leopold Joseph Holdings for the half year to September 30, 1979, are reported by the board to be comparable with the corresponding period last year.

The interim dividend is maintained at 1.875p—last year a total of 9.502p was paid.

Second half outlook for the merchant banking and investment dealing group remains uncertain, state the directors. But against the current difficult background for the economy, its liquidity continues unimpaired.

Witan Inv. hopes to pay 3.25p

GROSS INCOME of Witan Investment rose from £3.22m to £4.29m for the half year ended October 31, 1979. Net income came out at £1.7m against £1.19m, after tax of £753,726 compared with £702,184.

From earnings of 1.95p (1.41p) per 25p share, the interim dividend is increased to 1.5p (1.2p) net. The directors forecast a final of 1.75p (1.45p).

All "B" ordinary shares are to be converted into ordinary shares with effect from December 1, 1979.

Nine months results from Royal Insurance

Estimated Results

The estimated Group results for the nine months ended 30th September 1979 with comparative figures for the corresponding period in 1978 and for the full year 1978 are given below.

	9 months to 30/9/79 £m	9 months to 30/9/78 £m	Year 1978 £m
General Insurance Premiums written	928.3	941.4	1,220.1
Underwriting Result	−11.3	19.2	25.4
Long Term Insurance Profit	3.3	3.3	4.4
Investment Income	94.1	88.6	120.7
Share of Associated Companies' profit	5.0	1.3	2.5
Total profit before taxation	91.1	112.4	153.0
Taxation	39.1	45.5	64.5
Minority Interests	0.6	0.2	0.3
Net profit attributable to the Company	51.4	66.7	88.2
(pence per unit)	(34.2p)	(44.4p)	(58.7p)

Exchange Rates

In the above figures foreign currency has been converted according to our usual practice at approximately the average rates of exchange ruling during the period. The principal rates were:

	9 months to 30/9/79	9 months to 30/9/78	Year 1978
USA	$2.11	$1.90	$1.92
Canada	$2.47	$2.14	$2.19
Australia	$1.88	$1.66	$1.68
Netherlands	Fls4.27	Fls4.18	Fls4.15

Premiums written in 1979 have been depressed in comparison with the period for 1978 mainly due to movements in exchange rates and to a lesser extent by accounting changes. If allowance is made for these factors, the underlying growth in premium income was 7% as against an apparent decrease.

The effect of changes in exchange rates on the comparison of the nine months results was to depress the profit before taxation by £4.8m; the investment income was adversely affected by £7.5m, whereas the underwriting result benefited by £2.7m.

Underwriting Results

	9 months to 30/9/79 £m	9 months to 30/9/78 £m	Year 1978 £m
USA	−13.7	2.5	10.5
UK and Irish Republic	6.4	7.7	11.9
Canada	−6.2	8.6	2.4
Australia	−3.4	−0.4	−0.3
Europe (Excl. UK and Irish Republic)	3.3	−2.0	0.1
Other Overseas	2.3	2.8	0.8
Total	−11.3	19.2	25.4

The operating ratios for the USA on the UK basis are:

	9 months to 30/9/79	9 months to 30/9/78	Year 1978
Claims as % of earned premiums	71.5	68.0	65.9
Expenses as % of written premiums	31.3	30.0	30.9
Operating ratio	102.8	98.0	96.8

Underwriting Result

Despite the severe impact of weather damage in the USA and Caribbean, the underwriting loss for the first nine months at £11.3m was only £0.2m higher than at the half year stage.

In the USA the third quarter underwriting loss of £5.9m was almost totally accounted for by claims arising from Hurricanes David and Frederic. For the year to date automobile insurance still produced the largest part of the loss. Extreme weather damage caused underwriting losses in all property lines other than commercial multi-peril. Workers compensation business remained unprofitable; better results were achieved in general liability.

In the United Kingdom the recovery apparent in the second quarter continued. For the first nine months there was a loss in personal lines at a higher level than last year largely due to the severe winter weather experienced in the first quarter. Commercial business continued to show a satisfactory profit.

In Canada the general increase in claims frequency, particularly in personal lines, continued in the third quarter. At the nine months stage losses have been incurred in all major lines other than commercial property.

In Australia there was a further deterioration in underwriting experience in the third quarter in most major lines with the exception of commercial property where there was an absence of large losses.

The main feature in Europe was the continuing improvement in the Netherlands, where there was an underwriting profit for the nine months of £4.7m. This was only partially offset by an overall underwriting loss in the rest of Europe.

In "Other Overseas" there was a mixed experience in the third quarter, including losses due to hurricane damage in the Caribbean, but there was still an overall profit at the end of nine months.

Associated Companies

A considerable part of the increase in the "Share of Associated Companies' profit" is due to the inclusion this year of Aachen and Munich as an associated company following the increase in our shareholding to 20%.

Royal Insurance

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—C. H. Bailey, J. Billam, Bremar Trust, Fodel International, John Foster, Highgate Optical and Industrial, F. H. Lloyd, Sekers International.

Finals:—Cardiff Malting, HTV, Northern American Trust, RCF, Town centre Securities.

FUTURE DATES

Interims:—

Anglo-American Asphalt	Nov. 20
CH Industrials	Nov. 22
Deritend Stamping	Dec. 12
Hambros	Nov. 20
Meyer (Montague L.)	Dec. 11
United Gas	Dec. 13
Woodhead (Jonas)	Dec. 7

Finals:—

Avon Rubber	Nov. 28
Barton Transport	Nov. 21
Fisher (Albert)	Nov. 23

John Beales moves into loss and omits interim

FOLLOWING a sharp downturn in sales and profits in the final quarter of last year, John Beales Associated Companies, manufacturer of Marathon clothing, suffered a £1m turnround to a loss of £560,000 in the six months to September 19, 1979 against a surplus last time of £479,000. Turnover for the period fell from £9.1m to £7.8m.

The immediate prospect is not encouraging, says Mr. G. H. Bignall, chairman. He does not foresee a return to profitability in the second half.

Although there was some improvement in the first quarter, trading losses continued and the situation became substantially worse during the June-September quarter, when continued inability to fill productive capacity was combined with a further erosion of margins.

	Six months 1979 £000	1978 £000
Sales	7,816	9,081
Trading loss	261	*667
Surplus sales of plant	—	13
Interest	159	74
Depreciation	140	127
Pre-tax loss	560	*479
Tax	†290	249
Net loss	270	*230

* Profit. † Credit.

The loss this time emerges after higher interest of £159,000 (£74,000) and depreciation £140,000 (£127,000). There is a tax credit of £290,000 against a charge last time of £249,000, leaving a net loss of £270,000 (£230,000 profit).

The interim dividend is passed—last time 1.4p was paid followed by a final of 1.8196p on total pre-tax profits of £600,778 (£1.22m).

The Board is aware of the seriousness of the situation, states Mr. Bignall, and has already taken a number of actions. The Newquay factory has been closed and production nad machinery transferred to Launceston.

Measures have been announced to improve the efficiency of the cut and sew operations by centralising cutting and production control, and to strengthen the marketing function.

But the chairman warns that the full benefits of the reorganisation are not expected to be reflected for some months. Future prosperity will depend on a real expansion of sales and production for autumn 1980. This would be enhanced by restoration of margins, but that depends on High Street sales, which have been difficult.

• comment

It has been a difficult period for textile manufacturers, but few companies have produced figures as unfortunate as the ones from John Beales, where a drop of £1m brought the group into a half-time loss of £560,000. The awful showing was caused by severely eroded margins and shrinking demand for the group's knitwear and underwear products. Some of the difficulty arises out of the firm's close association with Marks and Spencer, which it supplies with two-thirds of its output. The bad news was worsened by the passing of an interim dividend and a prediction from the Board that "future prosperity will depend upon a real expansion of sales and production for Autumn 1980." The spectre of another 18 months of loss before any turning point seems very possible. The company is trying to reorganise by closing its Newquay cut-and-sew factory and by centralising its operations in Nottingham. But the market was not encouraged and sent the already low share price down 9p to 26p where the market capitalisation is close to £1m.

29% growth for Black Arrow

PROGRESS HAS been maintained at Black Arrow Group in the half year to September 30, 1979, with pre-tax profits ahead by 29 per cent from £171,000 to £220,000. Turnover on continuing operations rose 14 per cent to £3.43m.

And Mr. Arnold Edward, the chairman, anticipates that the full year's figures will show a meaningful improvement over 1978-79, when profits reached £453,000.

Turnover for the half year was split between:—Leasing £0.98m (£0.85), office furniture £1.92m (£1.73m) and electrical appliances £0.53m (£0.42m). Discontinued operations accounted for £0.45m last time.

After tax of £25,000 (£23,000) earnings per 50p share improved from 2.2p to 2.95p. The interim dividend is stepped up from 0.7p to 0.9p net—the previous total was 2.2p.

There was an extraordinary profit of £26,000 (nil) for the six months, arising on the disposal of the freehold property at Carlisle. Dividends absorb £59,000 (£46,000) leaving the retained surplus up £60,000 at £162,000.

First half surge for Valor

FOR THE 26 weeks ended September 28, 1979, turnover of the Valor Company, increased from £19.55m to £23.83m and pre-tax profits were higher at £916,561 against £712,386 in the same period last year.

Mr. M. Montague, chairman, says the individuality of the group's appliance enables Valor to maintain a high market share and subject to no unexpected factors "will allow us to continue the trend of improving profitability."

First half tax charge is £96,685 (£157,784) with basic earnings per share stated as 6.37p against 5.02p. Fully diluted earnings are 5.96p (4.73p). The interim dividend is effectively raised from 0.643p to 0.772p—the previous total was equal to 2.072583p on pre-tax profits of £2.14m.

The chairman notes the first half figures covered a period in which three factories were directly involved in the engineering dispute.

"Domestic and international trade is presently the subject of much speculation. It remains to be seen what effect this will have on us as manufacturers of gas appliances, heaters and cookers," the chairman says.

Property sale helps Levex maintain profit

INCLUDING A £23,000 exceptional credit for the sale of an investment property, taxable profits of Levex totalled £98,000 for the first half of 1979, compared with £95,000 last time. Turnover of the fabric printer rose from £1.8m to £2.27m.

The directors say the duplicated overheads involved in operating two factories resulted in lower trading profits of £75,000 (£95,000), but this has been resolved. The move to new premises has been completed and the old premises sold.

The acquisition of the Max Williams Group is proving very satisfactory and should contribute significantly to group profits this year, they add.

Again, there is no interim dividend, but the directors expect the full-year results will enable an increased total to be paid. Last year's single payment was 0.67p on profits of £219,000.

There is a tax charge of £9,000 this time.

Downturn at Capital Gearing

Income for the six months to October 5, 1979, of Capital Gearing Trust slipped from £31,408 to £27,748, while at the net level the investment trust emerged with a deficit of £21,740, against £19,151 last time.

The loss was struck after interest and expenses amounting to £36,476, compared with £41,371, and a transfer from capital reserve of £8,512 (£9,188).

The directors explain that income for the period should not be taken as an indication of the full year's figure, as the larger part of the company's income accrues in the second half.

In the previous full year, gross revenue reached £84,803.

The dollar premium liability previously due on repayment of the dollar loan of Capital Gearing (Overseas) ceased with effect from the free convertibility of sterling on October 24.

Wilson Peck losses increase

Losses of Wilson Peck, retail music dealer, deepened from £29,561 to £51,716 in the year to March 31, 1979.

But after an extraordinary credit of £113,353 and tax credit of £23,447 (£12,708) the net surplus came out at £85,084 (£16,853 loss).

Stated loss per 25p share increased from 1.73p to 2.86p. Dividends on preference shares for the six months to November 1, 1978, have not yet been paid.

DEBORAH

Deborah Services announce that acceptances have been received representing 63 per cent of the 1,532,618 ordinary shares offered by way of rights. The balance of the shares will be taken up by the underwriters.

The British & Commonwealth Shipping Company Limited

Interim Report 1979

RESULTS

The profit before taxation for the six months to 30th June, 1979 amounts to £13,625,000 compared with £13,270,000 for the first half-year of 1978. The overall result is largely in line with our expectations save for the sharp downturn in the air transport activity, which arises mainly from the difficulties being experienced by our fixed wing interests where various adverse factors have combined against us.

DIVIDENDS

The Directors have declared an interim dividend of 5.5p per ordinary stock unit of 50p in respect of the year ending 31st December, 1979 (1978—4.75p). This dividend will be payable on 8th January, 1980 to Stockholders registered at the close of business on 7th December, 1979.

OUTLOOK

Whilst it is impossible to forecast at this stage such unknowns as the strength or otherwise of sterling during the remainder of the year, present indications suggest that the profit before taxation for the second half-year will approximate to that of the first half of 1979.

In this event the Directors would hope to be able to recommend a final dividend for the year of 7p per ordinary stock unit (1978—5.8378p).

Group Profit for the six months ended 30th June 1979 (unaudited)

	6 months to 30 June 1979 £'000	6 months to 30 June 1978 £'000	Actual year to 31 Dec. 1978 £'000
Turnover	134,800	121,500	256,100
Profit from shipping, aviation and other activities	16,717	16,536	33,820
Depreciation	8,021	7,751	17,552
Operating Profit	8,696	8,785	16,268
Dividends and interest receivable	4,829	4,351	10,343
	13,525	13,136	26,611
Interest payable	4,663	3,796	8,281
	8,862	9,340	18,330
Share of profits, less losses, of associated companies	4,763	3,930	10,545
	13,625	13,270	28,875
Share of an exceptional currency loan loss of an associated company	—	—	2,286
Profit before Taxation	13,625	13,270	26,589
Taxation			
Group	4,275	4,527	9,822
Associated companies	2,158	2,002	5,049
	6,433	6,529	14,871
Profit after Taxation	7,192	6,741	11,718
Minority Interests	1,543	1,484	3,245
Profit attributable to The British and Commonwealth Shipping Company Limited before Extraordinary Items	5,649	5,257	8,473
Earnings per Ordinary Stock Unit of 50p	17.4p	16.2p	26.2p
Earnings per Ordinary Stock Unit of 50p adjusted to exclude exceptional currency loan loss of an associated company	17.4p	16.2p	33.2p

Notes

1. The analysis of operating profit by activities appears below. Certain 1978 figures have been restated arising from a re-analysis of activities.

Analysis of Operating Profit	6 months to 30 June 1979 £'000	6 months to 30 June 1978 £'000	Actual year to 31 Dec. 1978 £'000
Shipping	198	(120)	(1,156)
Air transport	3,003	4,936	10,591
Aviation support services	1,593	1,127	4,202
Leisure industry	275	43	(173)
Office equipment	1,487	1,402	2,586
Other activities	1,092	1,322	1,067
	7,648	8,710	17,117
Profit on sale of ships	1,048	75	901
Additional depreciation to write down floating supply base ship to estimated realisable value	—	—	(1,750)
	8,696	8,785	16,268

2. The charge for taxation for the six months ended 30th June, 1979 has been based on the estimated effective rate for the full year. No change has been made in the method of providing for deferred taxation.

15th November, 1979

MINING NEWS

Expansion ahead for Wankie

BY KENNETH MARSTON, MINING EDITOR

WHILE at long last the Zimbabwe-Rhodesia situation appears to be nearing a satisfactory settlement, more investment interest is likely to be shown in the territory's leading mining operation, the Anglo-American Corporation group's Wankie Colliery.

In his annual statement, which was written before the latest encouraging developments in the political situation, the Wankie chairman, Sir Keith Acutt, points to a major coal expansion programme, the capital cost of which will be "very much in excess of our present resources."

The expansion in capacity will be in preparation for the coal supplies required for a proposed new electric power station at the mine site. Part of Zimbabwe Rhodesia's power supplies have been purchased from Zambia's Kariba hydro-electric installation, but the expected growth in power usage in that country will reduce the supplies available to Zimbabwe Rhodesia and the new plant at Wankie is intended to make up this shortfall.

Meanwhile Wankie has enjoyed a good demand for its coke and Sir Keith reckons that the stage has been reached when the company should be able to restore full capacity production at its cokeworks. Overall, he anticipates a good demand for Wankie's products in the current year but points out that coal sales may continue to be affected by the abnormal strains under which the railways are working.

In the year to August 31, Wankie made a lower net profit of Rh$3.39m (£2.32m) compared with Rh$4.27m in the previous 12 months. The dividend total, however, was maintained at 9 cents out of earnings of 13.38 cents per share.

While exchange controls remain in force for Zimbabwe Rhodesian issues, UK shareholders cannot receive their dividends which are held in blocked accounts in that country. But at 64p the shares of Wankie yield just under 10 per cent, a reasonable return for a group which could increase earnings this year—helped by the August coal price increase of 10 per cent—and despite the heavy capital expenditure that lies ahead.

A firmer tone in Rhodesian mining stocks yesterday reflected the latest agreements at the Lancaster House talks. But there will be no free movement of funds—and hence the unfreezing of accumulated dividends—between Salisbury and London until Zimbabwe Rhodesia returns to constitutional normality.

Price gains were seen in Falcon Mines, up 15p to 415p, and Coronation Syndicate, up 10p to 215p. Wankie Colliery shares rose 4p to 64p and MTD Mangula advanced 5p to 100p.

DOME EARNINGS MOVE AHEAD

A surge in the third quarter has lifted the net earnings of **Dome Mines**, the Canadian group with extensive gold interests, to a nine months' total of C$44.4m (£17.7m) from C$35.3m in the same period of last year.

Earnings per share were C$2.53 (101p) against C$1.98, while revenue rose to C$82m from C$58m.

Although Dome's gold output fell over the first three quarters to 255,000 ounces from 263,000 ounces in the comparable period of last year, this was more than offset by the average price received. This climbed to C$324.97 an ounce from C$221.03.

The group received C$26.2m from its share of the profits at **Dome Petroleum**. In the first nine months of last year it received C$19.8m.

● **Discovery Mines** of Toronto announced that it had tentatively agreed to allow **Noranda Mines** and **Pamour Porcupine Mines** the right to bring to production its small but good grade gold property at Muir Island, Northwest Territories. The property is 66 per cent owned by Discovery. The balance is owned by **Camlaren Mines**, in which Discovery has a two-thirds stake.

Hard times at Eldorado

CANADA'S state-owned uranium mining and processing group, **Eldorado Nuclear**, continues to live through hard times after the boom conditions it enjoyed last year. Following a bad third quarter it reports a loss for the past nine months of C$1.3m (£520,500) which compares with a profit of C$22.2m earned in the same period of 1978.

John Soganich reports from Toronto that Eldorado has been hit by production shortfalls but that the company hopes that its full year results will show a recovery to a net profit, or a near break-even position.

Mr. Nicholas Ediger, the Eldorado president, points out that the record earnings achieved last year were part of a planned strategy to assist in the financing of the company's substantial capital expansion programme.

Eldorado then took advantage of a strong uranium market to make spot sales of its stocks at high prices, thus postponing the need for additional borrowings to meet the expansion programme costs.

This year, however, uranium concentrate sales have fallen in line with inadequate production. The shortfall in output is blamed partly on delays in government authorisations for the new production areas and partly on the continuing shortage of skilled underground workers.

Inevitably, Eldorado's working costs will remain high. Consequently a larger provision is being made for anticipated losses on certain 1980 uranium oxide deliveries under contracts which were made at the low prices that prevailed in the ealy 1970s.

NO PROBE

The proposed acquisition by **Lonrho** of **Harrison and Sons** is not to be referred to the Monopolies and Mergers Commission.

Applied Computer jumps

INCLUDING a two months contribution from the recently acquired Computer Proof, pre-tax profits of **Applied Computer Techniques (Holdings)** for the six months to September 30, 1979 jumped 86.7 per cent to £308,000 on a 44.6 per cent increase in sales.

Expressing confidence in the future, Mr. Lindsay Bury, chairman, says prospects for the remainder of the current year are good and will be assisted by a full half year contribution from Computer Proof which is trading satisfactoritly, and by the improved order position for the computer division.

First half earnings per 10p share are ahead from 3.69p to 6.7p and an interim dividend of 0.5p net is declared. Last year's total payment was 0.7p from profits of £372,000. ACT is an unquoted company, but 10 per cent of the capital was floated under the Stock Exchange's Rule 163(2) last March.

In his interim report, Mr. Bury says that the bureau division, is enjoying a period of record sales volume and profitability.

Only contributing modestly in the first six months, the computer division now has record order books stretching into the second half of 1980.

The group's cash flow remains strong and matches the rate of expansion. In the immediate future, capital expenditure plans for the bureau and supplies divisions, together with the rapid build up of the micro division will make increasing demands on resources. However, the group's bank facilities and internally generated funds remain appropriate for the next stage of expansion.

BIDS AND DEALS

BAT extending U.S. coverage

Mardon Packaging International, which has just been taken fully under the wing of **BAT Industries**, plans to extend its thrust into the U.S. with the purchase of **Pan American Industries**, a St. Louis-based maker of flexible packaging materials for the food industry.

The deal, on which agreement in principle has been reached with Pan American's sole shareholder, Mr. Don Davenport, is due to be completed at the start of next year.

No price is being given for the purchase of the U.S. company, which achieved sales of $9m (£4.3m) in its last financial year and has estimated net assets of $1.2m.

But Mr. John Cornish, the chairman of Mardon, said it would give the UK company another leg in the U.S. flexible packaging market alongside Arnold Cellophane of Florida and Boyertown of Pennsylvania.

Mardon became a full subsidiary of BAT earlier this month, when the latter bought out the 50 per cent interest held in the joint company by Imperial Group for nearly £88m.

With the acquistion of Pan American, Mardon would now have "national status" in the U.S. packaging sector, Mr. Cornish said.

HOFFNUNG CLOSING WAREHOUSES IN AUSTRALIA

S. Huffnung, the wholesaler and general merchant with large Australian interests, is to close down its Sydney and Brisbane warehouses.

The group explains that a realistic return on capital employed has not been earned for a few years in the wholesale division in Sydney and Brisbane and in the year to March 31, 1979, the trading activities of the complete wholesale division resulted in a substantial loss.

In the last accounts these losses were shown as £546,000.

The warehouses will close with effect from December 31.

Hoffnung intends to preserve those sections of the merchandising activities which are profitable and do show a worthwile return—mainly jewellery, clocks and watches, glass, china and fancy goods and lines in which Hoffnungs has an exclusive position in Australia.

In future, these activities will be with the wholly-owned agency subsidiary Tallerman and Co. Pty. operating throughout Australia.

Hoffnungs Melbourne only carries the above lines of merchandise and therefore is being merged in its entirety with Tallerman.

The group warns that although there will be extraordinary losses of a material amount for the current year resulting from the closure programme, it is expected that even after incurring these losses the profits before tax for the current year of the Australian group will show an improvement in dollar terms on those for the year ending March 31, 1979.

The group explains that the position of its general wholesaling activities in recent years has been eroded by the growth of multiple stores and by the emergence of co-operative wholesalers servicing the independent retailers who were the main customers of the wholesale division.

PENTOS RAISES STAKE IN ELLIOTT PETERBOROUGH

Pentos has added further to its stake in **Elliott of Peterborough**, the system building specialist and contractor, and now holds 18.2 per cent of the equity.

The total holding of Pentos, whose interests range from garden and leisure products to construction, is now 2.4m shares; it began buying Elliott shares a year ago.

Mr. Terry Maher, the chairman of Pentos, said the company had been continuing its policy of adding to its holding in Elliott when shares became available.

As for the possibility of a later bid, he added: "We've said before that we don't have the intention of making a bid and that has not changed." Also holding a major stake in Elliott is the M & G Group, which holds 10.2 per cent through Barclays Nominees.

UNITED RUBBER AND COFFEE

The directors of **United Rubber and Coffee Plantations (1932)** have become aware that a non-member is offering to pay 5p per ordinary share in the company for up to 50,000 shares.

The directors say they know of nothing that, in their opinion, justifies that price and neither they nor their associates intend to sell any of their shares. he directors do not want shareholders and the public to gain the wrong impression of the value of the company's shares. The issued capital is 1,538,110 shares.

WADHAM STRINGER

Wadham Stringer is to pay a further £250,000 in cash and to issue a further 555,546 ordinary shares resulting from the takeover of **Shetland Boats**.

BICC expands electronics side with £8m purchase

BY ELAINE WILLIAMS

BICC, the cables and electrical products group, has taken over **Vero Electronics**, a private electronics component company, for £8.1m.

The acquisition is part of BICC's long-term plans to move further into the electronics field, and the company has hinted that it will be looking for further investments in electronics although it could not say how quickly such commitments could be made.

BICC has already acquired two companies which it considers to be important for its overall plans. These are Derby Automation Consultants and Transmitton, which specialise in communications, telemetry and electronic controls systems for the mining industry.

Vero Electronics, which makes circuit boards and cabinets, in which electronics systems are built and housed, is seen by the company as complement to the present activities of its industrial products group.

Vero has four manufacturing sites in the UK based near Southampton, and two subsidiaries in West Germany and the U.S. also have manufacturing facilities. Also it distributes its products in France.

Pre-tax profits for Vero and its subsidiaries, which include Vero Precision Engineering, a specialised machine tool manufacturer, were £670,000 for the year ended December 31, 1978. Net book value of the assets was £4.19m.

Vero employing over 1,000, will form part of BICC industrial products, and Mr. Michael Julien, BICC's finance director, said that the acquisition would double the involvement of this part of the group. Presently about 15 per cent of the industrial products group is in electronics.

Mr. Julien said that BICC would concentrate on serving the electronics industry and any other industries which used electronics systems rather than moving into mainstream electronics systems. The company would also chose the areas it attacked very carefully, staying in professional and industrial fields such as process control.

SHARE STAKES

J. E. England and Sons (Wellington)—Walter Duncan and Goodricke has bought 50,000 shares making holding 605,000 (12.1 per cent).

Edward Jones (Contractors)—Beneficial interests. Directors are as follows: D. G. Jones, 300,000 shares, P. Ellis Jones 15,242. J. R. A. Nottingham 300,000.

Automotive Products—The Emmott Foundation has an interest in 2,820,000 shares (5.01 per cent).

Ailsa Investment Trust—Cornhill Insurance Company has acquired 72,500 shares making holding 1,317,036 (19.21 per cent).

Elbar Industrial—Tanks Consolidated Investments and subsidiaries have increased interest to 2,340,502 shares (71.67 per cent).

MFI Furniture Group—Some 20,000 shares have been allotted to D. R. Hughes and 10,000 shares have been allotted to E. W. Lea. D. Seabright has sold 28,600 shares and J. W. Seabright has sold 6,600 shares, on behalf of

CHILEAN OFFER FOR 'FAGS'

A Chilean company controlled by one of the country's leading businessmen, Mr. Androniko Luksic, has agreed to pay around £1.6m for 43.8 per cent of the voting rights held in **Antofagasta (Chili) and Bolivia Railway Company**.

The company, **Turismo e Inmobiliaria Bio-Bio SA**, will then make an offer for the rest of the shares, assuming the present deal is not referred to Britain's Monopolies Commission.

Turismo, which already owns 2 per cent of Antofagasta's voting rights, plans to pay 41p for each £1 nominal of ordinary stock and 50p for each £1 nominal of preference stock. A full bid, to be made at the same price, would value the company at around £3.6m.

Turismo is part of one of Chile's leading conglomerates, the Luksic group, which has interests in mining, real estate and finance. It has agreed to buy the interests in Antofagasta held by LET Investments with 15.3 per cent of the voting rights. Deltec Group (22.3 per cent) and the Zurich-based Societe Internationale de Finance (6.1 per cent).

Other major shareholders of Antofagasta which are not included in the present agreement include the Australian-controlled Brierley Investments, which owns over 14 per cent of the voting rights, and Danae Investments with 1.3 per cent. LET and Deltec made a lower bid for Antofagasta in 1977 which was rejected.

Antofagasta's shares picked up sharply on the news of the deal, with the ordinary adding £5 to £41 and the 5 per cent preference up by £7 to £49. Both classes of stock are quoted in £100 units.

Turismo, which is mainly a real estate company, will make its full offer through Bank of America International and Barclays Merchant Bank. Antofagasta's chairman, Mr. Gilbert Stone, said his company's reply would be sent out in a few weeks, once it had fully considered the situation. Antofagasta is being advised by Rea Brothers.

SANDEMAN SUSPENDED

George G. Sandeman's listing has been temporarily suspended at company's request, pending an announcement.

At the suspension price of 85p, the port and sherry company's market capitalisation is £9.6m.

The company declined to comment on the reason for suspension

VAN LEER (UK)

Van Lear (UK), packaging manufacturer and part of Van Leer BV, of the Netherlands, industrial drum maker, has acquired for an undisclosed amount **Parsons Brothers of Hull**.

Parsons makes lightweight closures in metal and plastic for tins and drums.

SPAIN

November 15	Price %	+ or −
Asland	102	
Banco Bilbao	200	
Banco Central	214	−4
Banco Exterior	250	
Banco Hispano	204	
Banco Ind. Cat.	137	−1
Banco Madrid	191	
Banco Santander	206	+3
Banco Urquijo	205	
Banco Vizcaya	204	−2
Banco Zaragoza	200	
Dragados	103	−2
Espanola Zinc	60	
Fecsa	60.2	−1.3
Gal. Preciados	38	−1
Hidrola	65.7	−0.8
Iberduero	60.7	
Petroleos	122	−1
Petroliber	76	
Sogefisa	122	
Telefonica	60	−0.5
Union Elect.	66.2	−0.8

BRAZIL

November 14	Price Cruz	+ or −
Acesita	1.28	−0.10
Banco Brasil	2.20	−0.26
Banco Itau	1.43	
Belgo. Min.	2.16	+0.06
Lojas Amer.	2.55	+0.06
Petrobras PP	1.73	+0.01
Pirelli	1.47	
Souza Cruz	3.35	+0.03
Unip PE	5.60	+0.15
Vale Rio Doce	2.85	+0.15

Turnover: Cr.290.9m. Volume: 123.7m
Source: Rio de Janeiro SE.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Geneen steps down at ITT

BY IAN HARGREAVES IN NEW YORK

MR. HAROLD GENEEN, the guiding spirit of International Telephone and Telegraph Company for two decades, is to relinquish his position as chairman at the end of this year.

He will be replaced by Mr. Rand V. Askarog, who became ITT's chief executive in July following the surprise sacking of Mr. Lyman Hamilton who had taken over from Mr. Geneen as chief executive only 18 months earlier.

The announcement of this latest development in what has been a bloody year in ITT's Boardroom, came as ITT disclosed an expected net loss for its third quarter of $137m—the first loss the company has sustained for many years.

The loss was caused by a previously announced reserve provision of $320m to cover the costs of closing down the company's strike-hit pulp mill at Port Cartier, Quebec.

The loss compared with a net profit in the same quarter last year of $133.5m. Sales were up from $4.6bn in 1978 to just over $5bn in the quarter just ended. Net income in the first nine months of the year was $229m against $481m in the equivalent months of last year.

Mr. Geneen, who will be 70 in January, has signalled by his resignation, which was said to have taken staff at ITT's New York headquarters by surprise, that he now considers that the company has found secure leadership acceptable to himself for the future.

He will remain as a Board director in an advisory capacity, taking the title of chairman emeritus. He said yesterday that the timing of his move indicated his "tremendous confidence in Mr. Askarog."

Mr. Askarog was thought to have been Mr. Geneen's choice as chief executive when he himself vacated that post in 1977, but the Board preferred Mr. Hamilton.

Mr. Askarog has been with ITT since 1966 and unlike the uosted Mr. Hamilton, has an operations and technical rather than a financial background.

Since he took over as chief executive Mr. Askarog has been at pains to emphasise the continuity of his style although some have felt that the continued presence of Mr. Geneen as chairman has weakened Mr. Askarog's authority.

Mr. Geneen and Mr. Askarog have been taking a tough line on ITT's troubled European operations where Mr. Hamilton and Mr. Gerhard Andlinger until July the head of the company's European operations, had embarked on a major reorganisation which was said to have sapped management morale.

During Mr. Geneen's period as head of ITT, the company's sales have expanded by more than 20 times and its net income has increased from $29m, in 1959 to $562m in 1977.

U.S. Steel and Texaco study chemicals link

By Our New York Staff

U.S. STEEL and Texaco have signed a letter of intent for a joint venture to produce and market high density polyethylene and are also studying the possibility of building a large light olefin plant on the Texas Gulf.

Mr. David Roderick, chairman of U.S. Steel, said that the development was part of the company's three-point plan to build up its chemical business, which is expected to show sales of $1bn this year and treble that amount by the mid-1980s. The company's total sales last year were $11.5bn.

The company would not put a size or a value on either project, which would be the first instance of co-operation between U.S. Steel and Texaco.

Share earnings rise at ATT

NEW YORK—Earnings at American Telephone and Telegraph (ATT) for the first nine months of 1979 were $6.07 a share, up from $5.88 a year earlier, Mr. Charles L. Brown the chairman said.

Revenues rose almost 11 per cent for the first nine months of the year compared with a 13 per cent rise in 1978 he said. He did not give any specific figures.

A company spokesman said ATT does not normally release results for the periods ending in September.

Mr. Brown also said that the Bell system, in the first nine months of 1979, added 3.7m telephones and long distance message volumes rose by 10.9 per cent.

ATT does not foresee "a serious slackening of demand, despite recessionary trends over the next few months." The recession will continue into mid-1980, expects Mr. Brown.

ATT's earnings per share in 1980 "will continue to record the improvement . . . which has characterised recent years."

ATT expects to make continued progress toward its long-term earnings goal of 14 to 16 per cent return on equity in 1980.

The Government wage-price guidelines will not pose any problems in most jurisdictions. He noted that the country's regulatory climate appears to be improving.

Mr. Brown supported the Federal Reserve Board's efforts to tighten credit and slow the country's money supply growth, despite the record high interest rates being incurred by units of the Bell system.

ATT in the 1978 year earned $5.27bn or $7.74 a share on revenues of $40.99bn.

ATT plans capital spending in 1980 of $15.5bn to $16bn, up from an estimated $15.2bn in 1979.

Little change is expected in the company's debt ratio in 1980.

The company plans to have 53 4ESS electronic switchers in operation by the end of 1980, compared with the current 32.

Additionally, ATT will have its first digital central switching office in service by the end of 1981.

When asked to comment on the problems ATT is having with advanced communications service, Mr. Brown would only say that the primary problem is related to software.

Last month, ATT said it was withholding a request to the Federal Communications Commission for permission to develop digital data system facilities, because more development work was needed.
Reuter

MGM may restructure into two companies

By Our Financial Staff

TWO SEPARATE publicly-held companies, one for hotel/gaming operations and the other for film activities, may be formed by Metro-Goldwyn-Mayer which is at present studying the feasibility of such a restructure.

The company said that such a restructure would provide for shares of the film activities to be distributed to stockholders on a tax-free basis. MGM said that its shareholders would continue to own its stock but, in addition, receive shares in the MGM film company proportionate to holdings of MGM common stock.

If the restructure proposal is approved by directors and various government regulatory agencies then shareholders would vote on the plan at a special meeting to be held in the spring of 1980.

IBM to raise 1979 spending level to $5bn

HOUSTON — International Business Machines will make capital expenditures of more than $5bn during fiscal 1979 Mr. Paul J. Rizzo, senior vice-president told securities analysts. Previously, IBM had said its 1978 capital expenditures were more than $4bn.
AP-DJ

IN BRIEF

Carnation advance

By Our Financial Staff

CARNATION, THE dairy and food products group, increased third quarter earnings from last year's corresponding $27.93m or 75 cents a share to $29.85m or 80 cents a share on sales up from $649.8m to $736.8m.

At the nine-month stage, earnings totalled $98.89m or $2.65 a share, compared with $87.85m or $2.36 a share for the same period of 1978. Nine months sales were $2.06bn against $1.88bn previously.

Oil and gas construction group, **J. Ray McDermott** announced a further fall in earnings in the second quarter, bringing the first half net total down from $87.7m or $2.24 a share to $29.4m or 44 cents, with sales at $1.46bn against $1.53bn in the previous first half.

Third quarter earnings at **Handy and Harman** (gold and silver alloys) increased from 45 cents a share to 49 cents, lifting nine-month earnings to $1.54 a share against $1.42.

Saxon Industries (paper products) pushed third quarter earnings from 14 cents to 15 cents, a share, but **Santa Fe International** (oil and gas) suffered a drop from 97 cents to 54 cents a share.

Teleprompter turned in 39 cents a share against 28 cents, for the third quarter while **Ampex** reported second quarter earninsg of 61 cents a share against 38 cents.

For its first quarter, **Genesco** (clothing and shoes) turned in 19 cents against 14 cents a share.

Year-end profits at **Standard Brands Paint** rose from $12.2m or $2.30 a share against $14.3m or $2.70 on sales of $182.7m against $164.8m.

Campbell Soup lifted first quarter earnings from 92 cents a share to $1.02. **Sedco** (offshore oil drilling), also reported first quarter earnings at 73 cents a share against $1.15.

Among utilities, **Public Service Electric and Gas** produced 18 cents a share for October against 23 cents, **Virginia Electric and Power** $1.63 a share against $1.90 for the year, and **Western Electric** $480.6m compared with $429.8m for nine months.

Braniff to sue LTV for $13m

By Our New York Staff

BANIFF INTERNATIONAL, the fast-growing independent airline, is to sue its former parent, the LTV Corporation, for more than $13m.

In a suit filed with a Texas district court, the Dallas-based airline says that LTV between 1967 and 1968 breached a contract agreement to pass on certain tax credits to the airline.

LTV, an industrial conglomerate which owns Jones and Laughlin Steel, divested itself of its Braniff stock in 1971.

Braniff is seeking actual damages of $4.6m and exemplary damages of $9m plus interest and legal fees.

The airline is currently under pressure both on the financial front, having just reported a $20.3m loss in the first nine months of the year, and on the regulatory front where the Federal Aviation Administration has accused it of 1,500 counts of violating statutory maintenance procedures.

Braniff said yesterday that it was still working on its formal rebuttal of the FAA allegations.

Rockwell boosts annual income 48% to $261m

BY OUR NEW YORK STAFF

ROCKWELL, the Pittsburgh-based diverse industrial conglomerate, reports a net 48 per cent increase in earnings for the last fiscal year compared with 1978. This was in spite of continuing problems in the group's power tool division, which has slid into losses and caused a decline in income from continuing operations in the final quarter of the year.

For the whole of 1979, Rockwell showed net profits of $261.1m or $7.33 a share. In 1978, final net income was $176.6m or $5.02 a share, after providing for a loss of $86.2m from discontinued operations. Sales in 1979 totalled $6.2bn on continuing operations against $5.3bn previously.

Rockwell, which underwent a change in top management at the beginning of this year with the election to chairmanship of Mr. Robert Anderson, once a Chrysler executive, has been systematically shedding a number of its consumer electrical businesses. It had got rid of its Admiral television business and has now started to move out of the lower price end of the power tool business, where it faces stiff competition.

Mr. Anderson's background in the car industry was also reflected in the takeover earlier this year of Wilmot Breeden, the UK motor parts company. There has also been expansion on the computer peripherals side with Rockwell's recent technology and marketing deals with Siemens of West Germany on magnetic memory bubbles, where Rockwell has manoeuvred itself into a strong position.

Mr. Anderson said yesterday that Rockwell anticipated higher earnings next year barring an unduly severe economic recession, and expects to step up capital spending to around $400m.

The company's total order book, including unfunded aerospace orders, stood at $6.9bn at the end of September compared with $3.8bn a year earlier.

Meanwhile, fourth quarter figures showed a net income from continued operations of $59.2m against $66m for the corresponding 1978 period.

EUROBONDS

MLR rise hits sterling sector

BY FRANCIS GHILÈS

THE INTERNATIONAL bond markets yesterday shrugged off the latest developments in Iran, with both straight dollar and Deutsche-Mark bond prices showing a firm undertone.

The sterling sector, however, was hard hit by the three-point rise in the minimum lending rate and prices finished the day about 1½-2 points lower. The GEC 12¼ per cent to 1983 issue closed two points lower at 87½-88½, at which it yields 14.98 per cent.

Activity in the floating rate sector of the dollar market was not as great as in the straight sector but the tone was firm. The $50m FRN for Industrial Bank of Japan, which traded for the first time yesterday, was quoted at 98½-99.

The good market tone was further demonstrated by the decision of Morgan Stanley to increase the size of the Yankee issue it is arranging for the EEC. Initially the amount of this bond was to have been $200m but two weeks ago it was reduced to $90m. Yesterday it was increased to $125m before being priced at par to yield 11.93 per cent. This bond, which matures in 1999, carries a coupon of 11.60 per cent. It provides call protection to 1991 when the initial redemption price has been fixed at 103.41.

In the Deutsche-Mark sector, both domestic and foreign bond price gained ground. The only foreign D-Mark issues to register falls were those for Iranian borrowers. Both issues for the Industrial and Mining Development Bank of Iran which were arranged by Deutsche Bank saw their prices drop. The 7½ per cent IMDB bond to 1985 finished the day one point lower at 79½, while the 7¾ per cent IMDB bond to 1987 shed 2¼ points to 7½.

No price fixings for these bonds are being made at the stock exchange in Frankfurt and those wishing to sell such paper are finding it virtually impossible.

The domestic D-Mark sector was helped by news that the Federal Government was able to raise DM 4bn worth of Schuldscheine notes with ease, thus completing its funding requirements for 1979. The maturity of these promissory notes ranges from one to 10 years and yields from 9 to 8.45 per cent.

Swiss franc foreign bonds also had a good day, showing price gains of ¼-½ of a point.

CANADIAN COMPANIES

Sharp rise in Power Corporation profits

BY ROBERT GIBBENS IN MONTREAL

POWER CORPORATION of Canada, the Montreal-based holding company controlling major interests in financial services, transportation and industrial products, earned C$62.6m or C$2.42 per share in the first nine months against C$29.6m or C$1.12 a share a year earlier. Revenues were C$234m against C$184m.

Excluded from the latest period is an extraordinary gain of C$5.1m, against C$3m.

Third quarter profit was C$27.6m or C$1.07 a share against C$16.4m or 64 cents.

Revenues were C$118m against C$75m.

Canada Development Corporation, controlled by the Federal Government with a public equity participation, earned C$73.7m or C$1.98 a share in the first nine months against C$26.7m or 45 cents a year earlier.

Gross revenues were C$1.4bn against C$902m.

The company owns one-third of Texasgulf, the major American-based metals producers, major interests in Canadian petro-chemicals together with other major industrial interests.

The company said the increase in the gross revenues reflected mainly larger volume by the petro-chemical interests, plus better results from Texasgulf.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.
Closing prices on November 15

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	88¼	88¾	+0½	+2¼	12.06
Alex Howden XW 9½ 91	30	†77	79	+1	−1¼	13.31
Australian Res. 9¾ 84	30	91⅛	92⅜	0	+0⅞	11.95
Avco O/S Cap. 10¾ 87	40	84½	84⅞	−1⅛	+1⅛	13.64
Beneficial Fin. 9¾ 87	100	89½	90	−0⅛	+2¼	11.83
CECA 10¼ 91	150	87⅞	87⅜	0	+0⅜	12.85
CECA 9¾ 99	125	80⅜	80⅞	+0⅜	+0¼	12.78
Canadian Pacific 9¾ 89	50	89¼	89⅝	−0½	+0⅞	11.63
Carter Hawley 9¾ 86	50	89¼	89¾	+0⅜	+1	12.11
Comalco Inv. E. 10¼ 91	40	88⅞	89⅜	−0¼	+0⅞	12.01
Continental Grp. 9⅝ 86	100	89¾	90¼	−0½	+1⅛	11.86
Dome Petroleum 10 94	50	86⅞	87⅜	−0¼	+0⅜	11.88
Dominion Bridge 10¾ 84	30	92¾	93¾	+0⅜	+1⅛	12.29
Dow Chem. O/S 9⅝ 94	200	86⅜	87⅛	−0⅛	+1¼	11.50
EIB 9⅞ 87	150	91¾	92½	−0⅛	+1	11.79
EIB 10 99	150	89	89½	−0½	+0⅞	11.70
EIB 10½ 87	100	92¾	93¼	−0⅛	+0¼	11.95
EIB 10.15 99	100	90⅛	90⅝	−0½	+0⅞	11.71
Export Dv. Cpn. 9¾ 84	100	91½	92	+0¼	+1	11.77
Export Dv. Cpn. 9¾ 84	150	92½	93	−0⅛	+1	11.27
Finland 9½ 86	100	88½	89	−0¼	+0⅜	12.12
Finland 9⅝ 89	100	87¼	88	−1⅛	+1¼	12.15
GTE Finance 9½ 84	50	92	92½	+0⅜	+2⅞	11.87
GTE Finance 9¾ 89	55	87	87½	0	+1¼	12.03
General Motors 9¾ 85	100	89¾	90¼	0	+1⅞	11.47
Gould Int. Fin. 9¾ 85	50	91¾	92¼	+0¼	+2⅛	11.84
Hudson Bay Co. 10 94	50	90½	91	+0⅜	+2⅜	11.32
ITT Antilles 9½ 89	75	86⅝	87⅛	−0⅛	+1	11.86
Kennecott Int. 9½ 86	100	86⅞	87⅜	−0⅛	+1½	12.47
Manitoba 9½ 89	75	87½	88	0	+1	11.70
Michelin 10 94	125	86½	87	−0½	−0⅜	11.94
Nat. Des. Telecm. 9½ 86	100	90⅛	90⅝	0	+1⅛	11.64
New Brunswick 9¾ 94	75	86	86½	−0⅛	+0⅞	11.77
Newfoundland 10 94	50	88⅞	89⅜	+0¼	+1⅛	11.57
Norges Komm. 9⅞ 99	100	87⅜	87⅞	−1⅛	−1⅞	11.79
Norway 9½ 84	150	92¾	92⅞	0	+0⅞	11.67
Nova Scotia Pwr. 9¾ 89	50	88½	89	0	+1½	11.75
Occidental Fin. 10¼ 84	50	93¼	93⅞	+2¼	+3⅜	12.11
Orient Leasing 9½ 86	25	87⅞	88⅜	0	+0⅞	12.18
Pennwalt O/S F. 9¾ 84	25	91¾	92¼	−0⅛	+1¼	12.14
Pepsico Cap. 9¼ 84	100	92¼	92¾	−0⅛	+1⅛	11.53
Quebec Hydro 10 99	75	89⅛	89⅝	+0⅜	+1⅛	11.36
Sears Roebuck 9 82	150	93¾	94¼	+0⅛	+1	12.22
Statoil 9⅝ 89	100	88½	89	−0⅛	+1⅛	11.68
Sweden 9¾ 89	100	88¾	88⅞	+0⅛	+0¾	11.78
Sweden 9½ 86	200	90⅝	91⅛	−0⅜	+0⅝	11.91
Sweden 9¾ 84	100	92¾	93¼	−0⅛	+1⅛	11.73
Unilever NV 9¼ 87	100	88¼	88⅞	+0⅛	+1⅜	11.54
Warner-Lambert 9 84	100	91½	92	−0¼	+1½	11.36

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	97	97¾	+0⅛	−0¼	8.46
Argentina 7½ 89	150	92¼	92⅞	+0⅛	−0⅜	8.68
Asian Dev. Bk. 7¼ 89	100	91	91¾	0	−0⅜	8.59
Banco Desarrollo 7¼ 86	100	92⅝	93⅛	−0¼	−0⅛	8.73
Barclays O'seas 6¾ 89	100	89⅞	90⅜	−0⅛	−2	8.27
Brazil 8 87	150	92⅞	94⅛	+0⅛	−1⅛	9.05
CECA 7 91	150	89⅞	90⅜	0	−2¼	8.35
Council of Eur. 7¼ 89	100	94⅝	95⅛	0	−0⅝	8.01
Denmark 6½ 89	100	88¾	89¼	+0⅛	−0⅜	8.24
EEC 7⅞ 94	225	95⅝	96⅛	+0⅛	−0½	8.35
EIB 7½ 89	200	94½	95¼	0	−1⅛	8.29
Eletrobras-Brazil 7 87	100	91¾	92¼	−0½	+0⅜	8.52
Eurofima 6½ 89	100	93½	94¼	+0⅛	−0⅛	7.44
Kobe, City of 7½ 89	150	93½	94¼	+0⅛	−0⅛	8.06
Mitsubishi Chem. 6½ 84	70	95	95¾	+0½	+0⅜	7.75
New Zealand 7¼ 87	200	93¼	93⅞	0	−0⅜	8.26
Nippon Kokan 6½ 84	100	93⅞	94⅜	+0⅛	−0⅜	8.10
Nippon Tel. & T. 5½ 87	100	86⅛	86⅞	0	−0⅜	8.03
Norges Komm. 7¾ 91	150	97	97¾	+0⅜	−0⅜	8.10
Norway 6¼ 84	200	94½	95½	+0⅛	+0⅛	7.59
OKB 6 87	40	89	90	0	−2¼	7.98
OKB 7⅜ 89	100	94¼	94¾	−0⅛	−1½	8.22
Tokyo Elec. Pwr. 6½ 85	200	91¾	92½	+0⅛	−0⅛	8.34
World Bank 7¾ 91	400	95⅞	96	+0⅛	0	8.34

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	97½	98	+1¼	−1⅛	5.81
Aumar 5 89	60	96	96½	+0½	−2⅛	5.51
Australia 3⅝ 89	250	92⅛	92⅝	+0⅜	0	4.86
Bergen, City of 4¾ 91	40	97	97¾	+0⅞	−0⅛	5.05
BNDE 5 88	75	89¼	90	+0⅜	−0⅛	6.47
BMW Overseas 4¾ 91	100	96	96½	+0⅝	−0½	4.67
Caisse Nat. Tele. 4¾ 89	100	96⅞	97⅛	+0⅜	+0¼	4.76
Canada 3⅝ 89	300	92	92½	+0½	−1	4.66
Copenhagen 4½ 91	60	95⅞	96⅛	+0⅜	−0½	4.95
EIB 4½ 91	100	95	95¾	+0⅞	+3⅛	5.03
EIB 4¾ 94	100	90	90½	+0⅜	−6	5.34
Elet. de France 4¾ 89	100	97¼	98	+0⅝	+0⅞	4.65
GZB 4¾ 89	100	91⅞	92½	+1	+0⅜	5.31
Hilti 4½ 91	35	98⅞	99⅜	0	−0¼	4.36
ICI Fin. NV 3½ 94	230	87	87¼	+0⅜	−0⅝	4.78
Int.-Amer. Dev. 4¾ 89	100	93⅝	94⅛	−0⅛	+0⅞	5.32
Malaysia 5 89	80	91¼	91¾	+1⅛	−1⅛	6.19
Nippon Tel. & T. 4¼ 89	100	97½	98	+1	+0⅜	4.54
Nordic Bank 5 89	45	99¾	100	+0¼	−1⅛	5.01
Norges Komm. 4¾ 91	100	93½	94	+1¼	−1	5.09
OKB 3¾ 91	100	86	86½	+1½	−1⅛	5.40
OKB 4¾ 91	100	92	92¾	+2⅛	−0⅜	5.25
Oslo, City of 4½ 91	100	92	92½	+1⅜	0	5.28
Pfand Ost. Lande 4 90	60	89	89½	−0¼	−3	5.37
Shikoku El. Pwr. 4¾ 89	100	98¾	98¾	+0¼	+0⅛	4.94
Spain 4 91	100	92¼	93	+0⅜	−0⅛	4.86
Steweag 4¾ 91	60	98¾	99	0	−0⅝	4.88
Voest-Alpine 4¾ 89	90	101¼	101½	+1⅛	+0⅜	4.57
World Bank 4⅝ 89	100	98½	98¾	+0⅝	−0⅜	4.80
World Bank 4½ 89	150	94	94½	+1⅞	+0⅞	5.15
World Bank 4⅝ 91	100	93	93½	+1	−0⅝	5.40

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	88⅝	89⅝	0	+0¼	9.04
Australia 6½ 88	20	85⅛	86⅛	0	−0½	8.99
EIB 7¼ 89	12	97½	98½	0	0	8.06
Finland 5.6 83	10	88½	89½	0	+0½	9.05
Finland 6.8 88	10	87¼	88¼	0	−0⅜	8.96

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	†95½	97	0	+1	10.3
Avco Fin. 10⅝ 86 C$	25	88⅛	88⅝	−0⅛	+0½	12.9
Bell Canada 10¼ 86 C$	60	92⅛	92⅝	0	+0⅜	12.6
Cr. Foncier 10⅛ 84 C$	30	89	89½	0	+0⅜	13.4
Ex. Dev. Cpn. 10 84 C$	50	91⅛	91⅝	0	−0⅛	12.8
Fst. Can. Inv. 10 84 C$	50	91	91½	−0½	+0⅜	12.6
Hudson Bay 10½ 89 C$	60	90	90½	0	+0¼	12.2
Quebec 10¼ 86 C$	50	89⅛	89⅝	−0½	+0⅜	12.7
R. Bk. Canada 10 86 C$	40	89⅜	89⅝	0	+0½	12.4
R. Bk. Canada 10 94 C$	40	84⅜	84⅞	−0⅛	+1	12.3
Copenhagen 8¾ 91 EUA	25	96⅞	97⅛	+0⅛	−0⅜	8.7
Copenhagen 8¾ 91 EUA	20	100⅝	100⅞	−0⅛	−2⅛	8.5
SOFTE 8¾ 89 EUA	40	90½	91½	0	−0⅝	9.7
Algemene Bk. 8¼ 84 Fl	75	96½	97	0	−0⅜	9.1
Amev 8½ 86 Fl	75	96⅛	97¼	0	−0⅜	9.1
EIB 9 94 Fl	150	98⅜	98⅝	−0⅛	−0⅜	9.2
Ned. Middbk. 8¾ 84 Fl	75	96	96½	+0⅛	0	9.3
Norway 8¾ 84 Fl	100	96⅛	96⅝	−0⅛	−0⅛	9.2
Norway 8¾ 84 Fl	100	96½	97	0	−0⅜	9.0
Air France 11 84 FFr	120	97¾	98¾	0	−0⅜	11.4
Euratom 9¾ 87 FFr	150	85⅜	88⅝	+0⅛	−0⅞	12.7
Finland 11 84 FFr	80	96⅜	97⅛	0	+0⅛	11.8
Finland 11½ 89 FFr	70	95½	96½	0	+0⅜	12.2
Gaz de France 11 84 FFr	150	96⅝	97⅜	0	−0⅛	11.8
Norway 9¾ 84 FFr	200	89⅝	90⅝	0	+0⅝	12.4
PSA Peugeot 9¾ 87 FFr	175	84⅝	85⅝	−0⅛	−0⅛	13.0
Renault 9⅞ 85 FFr	100	87½	88½	+0⅛	−0⅛	12.8
Saint-Gobain 9¾ 85 FFr	130	85⅝	86⅝	0	−1⅛	13.0
Solvay et Cie 9¾ 87 FFr	125	85⅛	86⅛	0	−1⅛	12.8
Total Oil 9⅞ 87 FFr	150	83	84	0	−1	12.9
Citicorp 10 93 £	20	82¾	83¾	−0⅛	−1⅛	12.7
EIB 9¾ 88 £	25	77⅝	78⅝	−0⅛	−1	14.3
EIB 11½ 91 £	25	84⅝	85⅝	−0⅛	−2	14.1
Finance for Ind. 13 91 £	15	92½	93⅛	−0⅛	−0⅛	14.3
Fin. for Ind. 12½ 89 £	30	86⅝	87⅞	−2⅛	−2⅛	15.0
Gen. Elec. Co. 12½ 89 £	50	87⅜	88⅜	−2⅛	−2½	14.9
Indonesia 8¾ 91 KD	7	*†94½	95	0	0	9.5
Mitsubishi 7½ 84 KD	10	*†95⅞	95⅞	0	0	8.5
Norges Kom. 7½ 89 KD	12	*†93⅜	93⅜	0	0	8.5
Occidental 8¾ 91 KD	7	*†91⅞	92⅜	−0½	−0½	9.3
Akzo 9¾ 87 LuxFr	500	96⅝	97½	0	+3⅛	9.8
Euratom 8 87 LuxFr	500	90¼	91⅛	0	0	9.7
Norges Kom. 8 86 LuxFr	500	90	91	0	+0⅜	9.9
Oslo, City of 8 89 LuxFr	500	89¾	90¾	−0⅛	+0½	9.6

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 6 87	0¼	99¾	99⅞	26/4	15½	15.8
Bco. Nac. Argent. 7 88	0¼	97⅛	97⅝	22/3	13.19	13.5
Banco Prov. BA 7¼ 86	0¼	97½	98¼	12/12	11	11.2
Banco Urquijo 6 86	0¼	97	97½	21/3	13⅜	13.7
Bank of Tokyo 5⅛ 89	0¼	98⅜	98⅞	25/10	16.19	16.4
Bque. Indo Suez 5¾ 88	0¼	97¾	98¼	11/1	11	11.2
BNP 5½ 91	0¼	97	97½	22/2	11.94	12.2
Citicorp O/S Fin. 6 94	‡0¼	99⅛	99⅝	8/12	12.81	12.8
Citicorp O/S 83	‡0	99⅛	99⅝	23/11	11.88	11.9
Creditanstalt 5½ 91	‡0¼	97⅞	98⅜	14/12	12.94	13.1
CNT 5¾ 86	0⅛	99⅛	99⅝	16/4	15.19	15.2
GZB 5½ 89	‡0¼	99	99½	1/2	16.19	16.3
Jugobanka 8 89	0⅛	94½	95½	23/11	11⅞	12.5
LTCB Japan 5½ 89	0⅛	98⅜	98⅞	7/12	11⅛	11.2
Mfrs. Han. O/S 5¾ 94	‡0⅛	99	99½	23/11	12.56	12.6
Nacional Fin. 6¼ 86	0¼	96⅛	96⅝	25/1	11½	11.9
Nat. West. 5¾ 94	0⅛	97½	98	11/1	14.94	15.2
Nippon Cred. Bk. 6½ 86	0⅛	96⅞	97⅜	12/1	10⅞	11.2
Royal Bank Scot. 5⅛ 94	‡0⅛	98⅝	99⅛	11/1	14.94	15.1
Soc. C. de Bque. 6½ 87	0¼	96⅜	97⅛	3/4	13¼	13.6
Sogenal 5¾ 89	0⅛	96⅛	96⅝	11/1	10.81	11.1
Sweden 8¾ 91	‡0⅛	97⅛	97⅝	18/1	15	15.3
TVO Pwr. 9 91 (D-lock)	0⅛	97	97½	24/11	11⅛	11.4
Utd. Overseas Bk. 6 89	‡0⅛	97	97½	29/12	12.94	13.3
Williams & Glyn 5⅞ 91	0⅛	97	97½	14/3	13	13.3
Bq. E. d'Alg. 4¾ 89 SF	−0⅛	94	95⅛	18/12	4¾	4.4

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	†92½	94	+0⅛	−9.3
Alco Int. Fin. 9½ 94	1/80	40	93¾	95	+0⅛	17.4
Asahi Optical 7 94	11/79	605	82½	83½	−2⅛	4.4
Canon 6¾ 94	8/79	570	94½	95½	−0⅛	1.4
Ciba-Geigy O/S F. 4 94	9/79	675	87½	89	−0½	−0.5
Credit Suisse 4¾ 93	10/79	1325	101	102¼	−0⅛	0.2
Daiei Inc. 6½ 94	11/79	1020	95½	96½	−0⅛	7.2
Essalte 7¾ 89	9/79	159	93½	94½	−0⅛	−1.6
Honda Motor 5½ 89	5/79	532	101¼	102¼	−3⅛	−1.1
LPC Internatnl. 8 89	9/79	35	†95½	97	+2⅛	8.2
Meidensha Elec. 7 94	12/79	210	92	93	−0½	33.2
Mitsubishi Cp. 6½ 94	10/78	604	146⅝	147⅞	−2	3.1
Nippon Seiko 7¾ 94	12/79	339	85½	86½	−0⅛	6.3
Nitto Elec. Ind. 6 94	7/79	735	78¼	79½	−1½	15.8
Toshiba Cpn. 7¾ 94	10/79	198	92¾	93¾	−0⅛	22.9
Union Bk. Switz. 5 89	2/80	125	101¼	103¼	−0½	1.8
Fujitsu 5 84 DM	7/79	475	95⅞	96⅝	−0⅛	25.5
Kansai Elec. 4 84 DM	4/79	1234	†85⅝	86¼	0	67.7
Tokyo Elec. 3½ 87 DM	4/79	476	96½	97½	+0⅜	121.5
Tokyu Ld. Cp. 4 86 DM	4/79	493	77	78	+0⅛	55.9
Uny Co. 6½ 85 DM	11/79	1071	98	98¾	+0⅛	22.7

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Sharp rise in third quarter at SKF

BY VICTOR KAYFETZ IN STOCKHOLM

THE SWEDISH engineering concern, SKF, enjoyed continued good demand during the third quarter for its bearings, steel cutting tools and other product groups, and turned in nine-month pre-tax profits of SKr 314m ($74m) against SKr 98m. Much of the improvement over January-September, 1978 arose from relatively lower production and administration costs compared with sales revenue.

The nine-month pre-tax earnings represent SKr 9.45 per parent company share, up from SKr 1.95. Turnover rose by 16 per cent to SKr 8.03bn ($1.88bn).

The cost of goods sold plus the expenses of selling, administration and development totalled 88.9 per cent of sales during the period, down from 91.2 per cent, and accounted for roughly SKr 185m of the SKr 275m growth in operating earnings before depreciation, which were SKr 945m.

SKF, which is the world's largest maker of bearings, showed a pre-tax profit during the third quarter of SKr 77m against SKr 15m in the same period of 1978.

For 1978 as a whole, the group earned SKr 207m on turnover of SKr 9.53bn. The nine-month report provides no forecast for the year, but in August SKF indicated in its half-year report that pre-tax profit was expected to exceed SKr 361m.

Counting internal deliveries, nine-month sales in the rolling bearings sector rose by slightly more than 12 per cent to SKr 5.97bn, accounting for 69.7 per cent of turnover. Bearings contributed SKr 200m towards group pre-tax earnings, up from SKr 121m.

Steel sector sales were up nearly 21 per cent to SKr 1.28bn for January-September, yielding a pre-tax profit of SKr 36m against an equally large loss.

Cutting tools increased their sales by more than 8 per cent to SKr 385m, and nearly doubled their earnings to SKr 41m. Other products, whose turnover jumped by 25 per cent to SKr 930m, made a pre-tax profit of SKr 37m against a loss of SKr 9m for the first nine months of 1978.

SKF's capital expenditure dropped from SKr 255m to SKr 244m. The group's net financial expenses rose from SKr 246m to SKr 287m, and represented an unchanged 3.6 per cent of turnover.

* * *

FURTHER U.S. expansion is proposed by Electrolux of Sweden, which is to buy the linen-service division of Blessing Corporation for $4.7m. The purchase is expected to be completed on November 20.

Electrolux is at present negotiating the purchase of Tappan Corporation, a manufacturer of micro-wave ovens, for $55.8m. However, this deal has run into problems with the FTC, which has requested "additional information."

ITALIAN TEXTILE INDUSTRY

State outlines restructuring plan

BY RUPERT CORNWELL IN ROME

THE ITALIAN Government intends to make the formation of any new banking consortia to rescue troubled fibre groups conditional on their acceptance of an overall plan for the restructuring of the industry.

This was made clear by Sig. Siro Lombardini, the Minister for State Participations, when outlining to a committee of the National Assembly his scheme to restore the sector to health. He coupled it with a warning to Montedison, the country's largest chemical company, that it could not, as it wished, merely wash its hands of its lossmaking fibres subsiliary Montefibre.

According to Sig. Lombardini, rationalisation would involve Montedison concentrating on polyesters, Anic (the chemicals offshoot of the ENI energy group) on acrylic fibres, and Snia Viscosa on polyamid and cellulose fibres.

Although the results of the three companies are likely to show reduced losses this year, thanks to higher output and prices, both Snia and Montefibre are pressing for consortia to provide new working capital and take on part of their enormous debts.

Sig. Lombardini also declared that Anic would be responsible for restructuring the chemical complex at Ottana in Central Sardinia, recently estimated to be losing 60bn ($72m) a year.

Both he and Sig. Pietro Sette, president of IRI, the State conglomerate which controls Alfa Romeo, confirmed that although talks were still continuing to find another manufacturer to collaborate with Alfa, control would remain with IRI.

Meanwhile, Sig. Ettore Massacesi, president of Alfa, is sounding out the possibility of constructing a new plant in the south for the company's Alfasud division.

Alitalia, the State airline which is also a subsidiary of IRI, for its part is expecting a loss this year following a series of strikes, troubles connected with the DC-10 aircraft and a sharp increase in the cost of jet fuel. However, the deficit is likely to be well short of the L26bn feared earlier in the year.

Increase in profits at Dollfus-Mieg

By Terry Dodsworth in Paris

REORGANISATION measures at Dollfus-Mieg, the French textile group, have been translated into a sharp improvement in the group's financial position both at the level of sales and of profits.

In the first half of this year, the company produced a net profit of FFr 37.4m ($8.9m), against a loss of FFr 8.2m last year. The profit was on a turnover of FFr 2.3bn compared with FFr 1.9bn in 1978.

The turnover increase falls to 11.6 per cent when measured on a comparable basis which takes into account the restructuring of the business. Growth, however, has been quite strong, mainly attributable to rises in prices, better market conditions and a reorientation of the company towards higher value products.

The depreciation charge has also risen this year, going up to FFr 67.4m in the first six months, against FFr 58.5m in the same period of 1978.

At the company level, Dollfus is still in thered, with the deficit rising from FFr 400,000 for the first six months of 1978 to FFr 3.6m in the same period this year. The company says, however, that this figure is not greatly significant because of the variations in receipts and charges of the holding company in the course of the year.

In 1978, Dollfus embarked on a reorganisation plan which reduced its workforce from about 16,000 to 15,000. Having suffered from the increase in textile imports and the emergence of producers in the developing world. it has been aiming to concentrate its activities on higher quality products.

Salzgitter returns to break-even position

BY GUY HAWTIN IN FRANKFURT

THE WEST GERMAN Government-owned steel, shipbuilding and energy concern, Salzgitter, fulfilled its forecasts and returned to break-even in 1978-1979 (ended September 30). The success is attributed to the light economic upswing, coupled with the effects of the Davignon plan.

According to the group's new chief executive, Herr Ernst Pieper, earnings returned solidly to the break-even mark — a considerably better performance than in 1977-78, when when the group lost DM 100m ($56m). Herr Pieper said that his policy was for the group to resume its dividend as soon as possible.

This may give some encouragement to the Federal Government, which has been asked to make provision for a three-figure increase in the group's DM 425m ($238.8m) nominal capital in the next Budget. Whether the Government will be prepared to do this is still open to question.

Salzgitter's total group sales went up by 6.9 per cent from DM 8.7bn to DM 9.3bn ($5.22bn) during the business year. However, much of the growth — around DM 400m—was attributable to newly consolidated companies appearing for the first time in the group's figures.

But Salzgitter's achievement should not be underestimated. For instance, during the year its steel-making subsidiary, Stahlwerke Peine-Salzgitter, made its first positive contribution to group earnings in many years.

The group's second largest subsidiary, Howaldtswerke-Deutsche Werft (HDW), remains a problem child. The company, which is one of the Federal Republic's leading shipbuilding concerns, is still being hit by the shipping slump.

It is cold comfort to say that other German shipbuilders are in the same position. HDW's turnover sank by 30 per cent to DM 1.04bn in 1978-79, and its order situation is so serious that employment for its labour force is fully covered only until early in 1980.

At Peine-Salzgitter, on the other hand, turnover increased by 8.7 per cent to DM 2.45bn, while production rose from the previous business year's 3.9m tonnes of crude steel to 4.3m tonnes. Capacity, reckoned to be 7m tonnes of crude steel annually, remained heavily under-utilised at 60 per cent.

Pernod Ricard pays more

By Our Financial Staff

FRENCH drinks group Pernod Ricard proposes to increase its dividend interim to FFr 6.30 a share from the FFr 5 paid in 1978.

This is the second time in less than a year that shareholders in Pernod have received a higher dividend. For 1978 as a whole the payment was increased to FFr 11 a share from FFr 10 in 1977.

The dividend increase comes against a background of rising profits for the company, which is best known for its range of aperitifs. Over the first six months of 1979 profits rose by 29 per cent to FFr 169m at the operating level, with net earnings improving by a similar percentage.

When last month announcing this improved trading, Pernod pointed to the removal of price controls within the French drinks industry.

● French-U.S. computer group Cii Honeywell-Bull reports a near 13 per cent rise in net group revenue for the first nine months of 1979. Net revenue emerges at FFr 3.24bn compared with FFr 2.87bn.

The company, 47 per cent owned by Honeywell Information Systems of the U.S., said that the volume of orders, which was "very high" during the first half, increased "at an even greater rate" in the third quarter. At a result, the group confirms earlier predictions of a positive net income for 1979: last net income was FFr 190.2m.

Spain to buy out U.S. stake in Enpetrol

BY ROBERT GRAHAM IN MADRID

NEGOTIATIONS are at an advanced stage for the Spanish state holding company INI to buy out the Chevron-Texaco group's share in the country's largest refining organisation, Enpetrol. INI is offering some $75m for the latter's 22 per cent stake.

Texaco has had a long association with Spain. During the Civil War, it was one of the companies to give direct support to General Franco by supplying the Nationalists with crude. The American group is pulling back as part of a strategy to concentrate all its refining activity within the U.S.

Earlier this year, Gulf Oil sold off its 33 per cent stake in another Spanish refinery, Petronor, for similar reasons. Marathon, which has a small stake in another refining group, Petroliber, is also said to be contemplating a sale of its Spanish refining interests.

An important element in the agreement is a major supply contract. Chevron-Texaco is being asked to supply Enpetrol with 4.5m tonnes of crude oil a year for three years. On the assumption that the purchase will be approved, INI will then control 93 per cent on Enpetrol's equity.

Allianz group in bank deal

By Our Financial Staff

ALLIANZ, the West German insurance group, is indirectly increasing its shareholding in the Frankfurt private bank, Georg Hauck.

As associate company of Allianz, the 40 per cent owned Wuestenrot Lebensversicherung, is to purchase 10 per cent of Georg Hauck. At the same time, the bank's capital and reserves are to be increased by DM9.5m to DM 34.5m.

Hauck's recent trading experience has been depressed. It has had to make considerable write-downs in its share portfolio and operating results have declined.

Kone forecasts downturn in earnings for this year

BY LANCE KEYWORTH IN HELSINKI

THE FINNISH multinational lift and materials handling company, Kone Corporation, forecasts an unsatisfactory financial result for the current year, although consolidated net sales are expected to increase to FMk 1.65bn ($434m) compared with FMk 1.44bn in 1978. Foreign exchange fluctuations have had an adverse effect on the company's operations in the past few months.

Turnover in the first eight months of the year increased by 13.3 per cent to FMk 924m compared with January-August 1978. The increase in the lift group was 20 per cent to FMk 610m, partly due to Kone's takeover of the British company, Marryat and Scott, in May this year.

The inflow of new orders in the first two-thirds of this year shows little change for the lift group, but a distinct improvement for the Kone materials handling engineering group. The company's consolidated order book at the end of August stood at FMk 1.18bn, an increase of 10.5 per cent on the position a year earlier.

Sulzer to make convertible bond issue

BY JOHN WICKS IN ZURICH

THE SWISS engineering concern, Sulzer Brothers, is to offer for subscription SwFr 100m ($60m) worth of convertible bonds with a 10-year maturity form November 22 to November 28. These will bear a 4 per cent coupon and will be offered at par by a banking consortium led by Swis Bank Corporation.

The proceeds will go towards the partial refinancing and redemption of a SwFr 120m convertible issue floated at 6½ per cent in 1975, originally with a maturity of 1985. The new bonds, obtainable by conversion or cash payment, will be convertible from January 3, 1980 onwards.

Bonds with a nominal value of SwFr 400 will be convertible into participation certificates of the Winterthur-based company with a nominal value of SwFr 1,000 on payment of a conversion price of SwFr 400.

* * *

THE NET value of publicly-issued bonds and shares on the Swiss capital market this year will be some SwFr 4.77bn ($2.89bn) according to estimates published by Swiss Bank Corporation. This figure would be substantially higher than the SwFr 3.06bn ($1.86bn) recorded for 1978.

Of the estimated total for 1974, a net SwFr 2.03kn ($1.23bn) will be accounted for by foreign bond issues in Switzerland, the difference between an actual new-money total of SwFr 5.03bn and redemptions of SwFr 3bn. This compares with a net sum of only SwFr 1.38bn in calendar 1978. The remaining SwFr 2.74bn is accounted for by domestic bond and share issues, up from SwFr 1.68bn.

The bank estimates the value, before re-financing, of private placement notes at SwFr 11bn for the year.

At a Press conference in Zurich Herr F. Schmitz, Swiss Bank's managing director, said that the bank should show a rather higher profit figure for 1979 than last year. In 1978, the net profit dropped by 6 per cent to SwFr 223.2m. Figures for the first 10 months pointed to a more favourable result, he said.

* * *

THE SWISS chemicals group Ciba-Geigy has acquired the Brazilian company Colmeina Comercio e Industria Quimica of Sao Paulo. A market leader in Brazil in floor cleaning agents and disinfectants, Colmeina Comercio has annual sales equal to some $20m. The company will form part of Ciba-Geigy's Airwick (household products) division.

* * *

THE SWISS watch industry concern Schweizerische Gesellschaft fuer Uhrenindustrie (SSIH) of Bienne is to take over its U.S. agent, Norman Morris Corporation of New York, as well as Star Watch Case, of Ludington, Michigan, writes John Wicks in Zurich. Subject to official approval, the acquisition will come into force at the start of next year, with a new subsidiary called Omega Watch Corporation to be formed at the existing Norman Morris headquarters.

The new company, whose president will be the former astronaut Thomas Stafford—already a board member of the Swiss affiliate Omega Louis Brandt et Frere—will belong to the holding company SSIH U.S. Corporation.

Norman Morris is responsible for the marketing in America of the major SSIH brands Omega, Tissot and Audemars Piguet. Star Watch Case has supplied to Norman Morris, as well as providing cases for the SSIH affiliate Hamilton Watch Company, of Lancaster, Pennsylvania.

BASE LENDING RATES

A.B.N. Bank	14 %	▣ Hambros Bank	14 %
Allied Irish Bank	14 %	■ Hill Samuel	§14 %
Amro Bank	15½%	C. Hoare & Co.	†14 %
American Express Bk.	14 %	Julian S. Hodge	15 %
A P Bank Ltd.	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Industrial Bk. of Scot.	14½%
Associates Cap. Corp.	17 %	Keyser Ullmann	14 %
Banco de Bilbao	14 %	Knowsley & Co. Ltd.	15½%
Bank of Credit & Cmce.	15½%	Lloyds Bank	14 %
Bank of Cyprus	14 %	London Mercantile	14 %
Bank of N.S.W.	14 %	Edward Manson & Co.	15 %
Banque Belge Ltd.	14 %	Midland Bank	14 %
Banque du Rhone et de la Tamise S.A.	14½%	■ Samuel Montagu	14 %
Barclays Bank	14 %	■ Morgan Grenfell	14 %
Bremar Holdings Ltd.	15 %	National Westminster	15½%
Brit. Bank of Mid. East	14 %	Norwich General Trust	14 %
■ Brown Shipley	15½%	P. S. Refson & Co.	15½%
Canada Perm't Trust	15 %	Rossminster	15½%
Cayzer Ltd.	15½%	Ryl. Bk. Canada (Ldn.)	14 %
Cedar Holdings	14 %	Schlesinger Limited	14 %
■ Charterhouse Japhet	14 %	E. S. Schwab	15 %
Choulartons	15½%	Security Trust Co. Ltd.	15 %
C. E. Coates	15½%	Shenley Trust	16 %
Consolidated Credits	14 %	Standard Chartered	14 %
Co-operative Bank	*14 %	Trade Dev. Bank	14 %
Corinthian Secs.	14 %	Trustee Savings Bank	14 %
The Cyprus Popular Bk.	14 %	Twentieth Century Bk.	15 %
Duncan Lawrie	14 %	United Bank of Kuwait	14 %
Eagil Trust	15½%	Whiteaway Laidlaw	16 %
E. T. Trust Limited	14 %	Williams & Glyn's	14 %
First Nat. Fin. Corp.	15½%	Yorkshire Bank	14 %
First Nat. Secs. Ltd.	15½%		
Robert Fraser	15 %		
■ Antony Gibbs	14 %		
Greyhound Guaranty	15½%		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12½% and over £25,000 12¾%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

Modest increase in net profit at Taisei Corporation

BY RICHARD C. HANSON IN TOKYO

TAISEI Corporation, one of Japan's leading construction companies, has reported a small increase in net profit of 3.3 per cent in the half-year ended September 30 to Y3.52bn ($140.5m) on a 1.3 per cent rise in revenues to Y281.3bn.

The company showed declines in civil engineering and real estate business, and has had to absorb extra costs of moving headquarters while revenues from sales of securities have declined.

Orders received, however, were up 20.3 per cent. The company for the full year expects a 4.2 per cent rise in net profit to Y8bn, on a 0.9 per cent increase in sales to Y660bn.

Shimizu Construction, another of the big five contractors, posted a 21.8 per cent rise in net profit. Sales were up 13.2 per cent to Y279 451bn.

African Oxygen growth slowed by higher costs

BY JIM JONES IN JOHANNESBURG

AFRICAN OXYGEN, the 60 per cent-owned South African subsidiary of BOC International, experienced difficulty in maintaining margins because of inflationary cost increases in the year to September 30, 1979.

Turnover increased 14 per cent to R153.5m from R134.6m while trading profit advanced only 6.6 per cent to R23.1m against R21.7m.

Despite cost problems, the directors are confident of the future and from attributable earnings per share of 43.05 cents (40.92 cents) have declared dividends totalling 21.5 cents against 17.5 cents.

The group is concentrating increasingly on its traditional activities in the fields of industrial gases, welding equipment and electrodes.

Since the year-end, the sale of the R15m turnover railway signalling, digital systems and communications operation, Dowson and Dobson Electronics has been agreed for R6h, releasing funds for capital expenditure in traditional fields.

Advance by Israeli papermaker

BY L. DANIEL IN TEL AVIV

NET PROFITS at American-Israeli Papermills — Israel's large paper producer, reports that its net profit rose to I£115.8m (some $4m) in the second quarter of the current fiscal year, from I£46.7m in the same period of 1978. Sales increased less quickly, to I£546.7m ($18m) from I£300.6m. Earnings per share came to I£0.86, compared with I£0.38.

● Africa Israel Inevstment Company, in which Bank Leumi holds 63 per cent of the voting rights and 65 per cent of the equity, increased its net profit in the year to March 31 by 19 per cent to I£43m (around $1.4m). Assets rose by 96 per cent to I£308.8m. The biggest profit gains were from the sale of real estate (up 97 per cent to I£17.5m) and from financing operations (I£23m) for a gain of 171 per cent).

Middle East order for Medishield

Medishield has won medical equipment orders from the Middle East totalling £750,000. These include a £370,000 order from the Kuwait Ministry of Health for anaesthesia equipment and lung ventilators and a £240,000 equipment and medical gas pipeline package for a hospital in Abu Dhabi. All the equipment will be manufactured in the UK.

Brambles offers A$142m for merger with Acmil

BY JAMES FORTH IN SYDNEY

BRAMBLES INDUSTRIES, the Australian transport group, is to make a A$142m (US$156m) agreed bid for the building products group Acmil. The directors of both companies described the move as a merger rather than a takeover. The deal would be the largest industrial acquisition in Australia, and the combined group will rank in the top 25 largest companies, with annual sales of some A$550m, assets of more than A$400m and a combined profit of more than A$30m for 1979-80.

Acmil and Brambles already have links at board level with Sir John Marks, the prominent New South Wales financier chairing both companies.

Earlier this month, Acmil's directors advised shareholders that takeover talks were under way, and at last week's annual meeting Sir John said that two approaches had been received and a third was expected. The only one which has come to light is the Brambles merger proposal, and Sir John said yesterday that the merger strategy arose out of Acmil's concern that a take-over offer was imminent. There could also have been concern that Brambles might receive a bid, as a comprehensive search of the company's 11,000-strong shareholders' register was made recently by an unidentified party.

The merger will be achieved through an offer from Brambles on the basis of one Brambles share plus 20 cents cash for every two Acmil shares. Based on Brambles' closing market prices of A$2 in Sydney yesterday, it values Acmil shares at A$1.05 compared with Acmil's closing price of A$1.

Sir John said that there would be substantial reciprocal benefits arising from the combined use of the two companies' fixed assets. The merger would also facilitate development plans of both companies, and, in particular, provide a greater oportunity to exploit the potential of the Pacific Basin area.

Acmil is to continue its negotiations for two acquisitions which Sir John initiated, one of which is a small Australian listed company which would add about A$250m to group sales if successful.

A proposed A$16.2m convertible note issue by Acmil will be replaced by a A$46m convertible note issue from Brambles on similar terms.

The five-year notes will carry an interest rate of 12.5 per cent and a conversion price of A$2. The issue will be underwritten by the investment bank Development Finance Corporation, which was founded by Sir John Marks, its current chairman.

Stocks and Holdings proposal

BY OUR SYDNEY CORRESPONDENT

STOCKS AND HOLDINGS, the property development group, is thinking of going a step further than other companies which have recently spun off property trust offshoots.

Mr. C. I. Borough, the chairman, said yesterday at the annual meeting in Syndney that a number of companies had put their investment property assets into a property trust which enabled them to distribute the earnings to shareholders on a pre-tax basis, rather than on an after-tax, but that the directors felt Stocks and Holdings was not in a position to follow this procedure.

The company also had a substantial trading activity and the remaining trading company structure would be too highly geared to carry on its present activities. Moreover, a reorganisation would have to be acceptable to all convertible noteholders as well as shareholders. Mr. Borough said that the board had decided to investigate the feasibility of a similar proposal: to convert the whole of the group, covering trading and investment activities, to a unit trust structure.

If all went well the reorganisation would result in each shareholder receiving six property trust units for each share held.

A similar offer would then be made to noteholders, pro rata to their holdings in accordance with their conversion right. The initial distribution rate was expected to be at least 9 per cent. Mr. Borough also told shareholders that verbal approval had been received for the public flotation of its subsidiary, Central Coast Exploration NL and the prospectus was expected to be registered before December.

* * *

CANADIAN Imperial Bank of Commerce has taken on a back-up role to Australian merchant bank Martin Corporation, with the purchase of a 40 per cent shareholding previously owned by the U.S. based, Wells Fargo Bank NA.

CIBC now holds 80 per cent of Martin Corporation (it bought 40 per cent in 1977 from United Dominions Trust of the UK) with the remaining 20 per cent held by Baring Brothers and Co. of the UK. The deal has been approved by the Foreign Investment Review Board.

CIBC specialises in project finance, particularly resource projects, and is interested in development prospects in Australia. With assets of C$44bn, CIBC is Canada's major bank.

Japanese invest more overseas

TOKYO — Direct overseas investments by Japanese companies reached a record $4.60bn in fiscal 1978 ended last March, 63.9 per cent up from the $2.81bn the previous year, the International Trade and Industry Ministry said.

Manufacturing industries accounted for 46.2 per cent of the total, commerce and service industries for 43.4 per cent, and resource development industries for 10.4 per cent.

Of the manufacturing industry investments, the Asian region accounted for 42.2 per cent, the Middle East and Africa for 20.8 per cent, North America 16.1 per cent, Latin America 10.8 per cent, Europe 7.9 per cent, and Oceania 2.2 per cent, it added.
Reuter

Hutchison Properties terms debated

By Philip Bowring in Hong Kong

MINORITY SHAREHOLDERS in Hutchison Properties are likely to have to wait till early next month to learn the terms of the offer from Hutchison Whampoa to acquire all the issued capital in its 71.7 per cent-owned subsidiary.

The boards of the two companies announced on November 8 that discussions between them had commenced. Wardley, the merchant bankers, was appointed to advise the Hutchison Properties minority and Schroders and Chartered to advise Hutchison.

It is thought that Hutchison will probably offer cash rather than shares for the minorities. The price, it is thought, may be around HK$20 a share, against the market peak of HK$17.60 immediately before the announcement, and a low this year of HK$9.45.

The price in the market, which moved to HK$20 after the announcement, however, has since strengthened to HK$21, which level may be the upper limit of an offer from Hutchison, which in the past has taken such prices closely into account in such situations. This puts a value on the Hutchison Properties minority of up to some HK$200m (US$40m).

The delay in agreeing an offer price is the result of the necessarily hard bargaining at a time when Hong Kong's property market is high—but potentially volatile. Although Hutchison Properties will have big development profits this year, it is seen as a stock to be valued more on earnings than on development prospects, as it lacks a landbank and its properties appear to have limited redevelopment potential. However, reversions are expected to ensure a steady increase in rental income.

Attributable after-tax profit in 1978 was HK$ 20.9m, or 62 cents a share, excluding extraordinary gains of HK$ 16.4m. In the first-half of the current year, profits jumped to HK$ 31.1m (US$ 6.2m). A valuation of the company carried out 15 months ago, at the time of a planned but abortive merger with another Hutchison subsidiary, City and Urban Properties, gave a net asset value of HK$ 14.19 per share.

That abortive merger was to have been the first of several operations by Hutchison to reduce the number of its quoted subsidiaries. City and Urban was eventually bought out by its other major shareholder, Tai Cheung. Meanwhile, Hutchison proceeded with other reorganisation plans, most recently including the acquisition of the minority in China Provident, the dock and property group. It had been widely expected that a similar operation would be undertaken in relation to Hutchison Properties. There is no apparent connection between the move and the recent acquisition by the property developer, Cheung Kong (Holdings) of an effective controlling stake of over 23 per cent in Hutchison.

At HK$20 a share, say, the acquisition would cost Hutchison HK$188m. Coming on top of a payment of HK$525m for the China Provident minority, Hutchison will probably have to increase its short-term borrowings. However, the group's gearing is low and it can look forward to a heavy cash flow and big development profits over the next year.

Earnings rise at Heiwa Real Estate

TOKYO — Japan's Heiwa Real Estate Company said yesterday that its parent company net profit in the first half-year ended September 30 rose 44.8 per cent to Y439m ($1.80m) from Y303m the previous year. Sales increased 50.8 per cent to Y2.92bn from Y1.94bn.

A company official said that the main reasons for the good business performance in the period were that the income from leasing buildings gained sharply.

Per-share profit in the six months was Y5.54, up from Y3.92 in the like year-earlier period. Half-year dividend was Y3, unchanged from the year before.
AP-DJ

FOOD PRICE MOVEMENTS

	November 15 £	Week ago £	Month ago £
BACON†			
Danish A.1 per ton ...	1,220	1,220	1,220
British A.1 per ton ...	1,200	1,200	1,200
Ulster A.1 per ton ...	1,200	1,200	1,200
BUTTER†			
NZ per 10 kg	13.60/13.77	13.60/13.77	13.20/13.37
English per 10 kg	18.07	17.67/18.07	17.67
Danish salted per 10 kg	18.75/19.06	18.35/18.65	18.35
CHEESE‡			
English cheddar	1,535.95	1,450/1,505	1,450
Irish cheddar	1,610	—	1,471.19
Danish cheddar	1,390	1,420	1,420
EGGS*			
Home produced:			
Size 4	4.20/4.50	3.90/4.00	3.80/4.00
Size 2	4.80/5.20	4.25/4.65	4.40/4.50
	November 15 p	**Week ago p**	**Month ago p**
BEEF			
Scottish killed sides ex-KKCF	60.0/65.0	60.0/65.0	60.0/65.0
Eire forequarters	44.0/46.0	44.0/46.0	42.0/44.0
LAMB			
English	46.0/52.0	50.0/56.0	49.0/51.0
NZ PLs/PMs	48.0/52.0	51.0/52.0	47.0/52.0
PORK			
All weights	42.0/52.0	41.0/50.0	38.0/50.0
POULTRY			
Oven-ready chickens....	37.0/40.0	36.0/40.0	38.0/46.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20 kg rindless blocks, delivered, per tonne.

CURRENCIES, MONEY and GOLD

Sterling strong

Sterling rose sharply on the news of an increase in Bank of England Minimum Lending Rate, closing at $2.1430-2.1440, a rise of 3 cents on the day. Early trading was subdued, with the pound falling to $2.1035-2.1045, partly reflecting the dollar's firm undertone. After moving up to $2.1150 before the announcement, sterling was in heavy demand when the rise in MLR proved larger than expected. Dealing spreads became very wide, as the pound touched a peak of $2.1450-2.1475, the highest level since October 22, the day before the abolition of exchange controls.

Light profit-taking pushed sterling back to $2.1380-2.1390, before renewed buying from New York led to a further rise towards the close.

Forward discounts against the dollar widened as a reflection of the rise in Eurosterling interest rates and selling of the pound forward. Domestic interest rates rose even more sharply however, leaving London interbank rates above the corresponding Eurosterling levels.

Sterling's trade-weighted index, as calculated by the Bank of England, rose to 68.9 from 67.7, after standing at 67.8 in the morning and 68.0 at noon.

The situation over Iran and the U.S. continued to undermine market confidence, but the dollar was firmer against most major currencies, with its index on Bank of England figures rising to 87.2 from 87.0.

The U.S. currency closed near its best level of the day against the Swiss franc at SwFr 1.6560, compared with SwFr 1.6480 on Wednesday, and also near its peak in terms of the yen at Y246.80, compared with Y243.40. The dollar rose to DM 1.7830 from DM 1.7800 against the D-mark, after touching high point of DM 1.7860.

PARIS—The dollar rose to FFr 4.1840 from FFr 4.1800 against the French franc at the fixing. The French currency became the strongest member of the European Monetary System yesterday for the first time since the EMS began in March. The D-mark fell to FFr 2.3456 from FFr 2.3468. Outside the system, sterling rose to FFr 8.90 from FFr 8.8145, and continued to improve in the afternoon to FFr 8.9150.

AMSTERDAM—The dollar rose to Fl 1.9845 from Fl 1.9805 at the fixing, and sterling to Fl 4.2050 from Fl 4.1830. Within the EMS the D-mark and French franc gained ground against the guilder, with the German currency rising to Fl 1.1125 from Fl 1.1122.

FRANKFURT — The Bundesbank did not intervene when the dollar was fixed at DM 1.7825 against the D-mark, compared with DM 1.7823 previously. Trading was quiet and nervous, reflecting concern over the crisis between the U.S. and Iran. The pound rose sharply on the rise in Bank of England Minimum Lending Rate, climbing to DM 3.80 by later afternoon, compared with DM 3.7690 at the fixing, and DM 3.7580 at Wednesday's fixing. EMS currencies were mixed, with the French franc rising to DM 4.2630 per 10 francs from DM 4.2620. The Belgian franc—the weakest member of the system — fell to DM 6.1720 per 100 francs from DM 6.1780.

TOKYO—The dollar eased to Y245.52½ against the yen from Y245.97½, but finished higher than the opening level of Y243.50. The U.S. currency's early weakness reflected concern about Iran, but was reversed by a wave of dollar buying to settle import contracts. The Bank of Japan may not have intervened in the market, for the first time this week.

THE POUND SPOT AND FORWARD

Nov. 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1035-2.1475	2.1430-2.1440	0.52-0.42c pm	2.63	0.90-0.80 pm	1.59
Canada	2.4900-2.5410	2.5370-2.5380	0.75-0.65c pm	3.31	1.65-1.55 pm	2.52
Nethlnd.	4.16-4.27	4.25-4.26	2⅞-1⅞c pm	6.70	6⅞-5⅞ pm	5.99
Belgium	60.65-62.20	61.90-62.00	20-10c pm	2.90	43-33 pm	2.45
Denmark	11.06-11.30	11.28¾-11.29¾	1¼-3¾ore dis	−2.92	4¾-6¾ dis	−2.04
Ireland	1.0125-1.0300	1.0280-1.0290	0.12-0.22p dis	−1.98	0.42-0.52dis	−1.83
W. Ger.	3.73½-3.84	3.82-3.83	3¼-2¼pf pm	8.63	8-7 pm	7.84
Portugal	106.40-109.00	108.40-108.70	par-80c dis	−4.42	35-185 dis	−4.05
Spain	140.00-143.00	142.65-142.75	20-70c dis	−3.78	165-265 dis	−6.03
Italy	1,741-1,779	1,776-1,777	1 lire pm-1 dis	—	5½-7½ dis	−1.46
Norway	10.64-10.85	10.83-10.84	4½-2½ore pm	3.88	10¼-8¼ pm	3.41
France	8.78-8.98	8.95-8.96	3½-2½c pm	4.02	6¼-5¼ pm	2.57
Sweden	8.96-9.10½	9.08¾-9.09¾	4-2ore pm	3.96	9¾-7¾ pm	3.86
Japan	515-530	528½-529½	4.10-3.95y pm	9.13	11.50-11.35pm	8.64
Austria	26.90-27.55	27.46-27.50	22-12gro pm	7.42	55-45 pm	7.28
Switz.	3.46-3.56	3.54½-3.55½	4¾-3¼c pm	14.37	11⅛-10⅛ pm	12.53

Belgian rate is for convertible francs. Financial franc 63.25-63.35. Six-month forward dollar 1.60-1.50c pm, 12-month 3.50-3.35c pm.

THE DOLLAR SPOT AND FORWARD

Nov. 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1035-2.1475	2.1430-2.1440	0.52-0.42c pm	2.63	0.90-0.80 pm	1.59
Ireland†	2.0750-2.0825	2.0775-2.0825	0.70-0.50c pm	3.46	1.40-1.10 pm	2.40
Canada	1.1830-1.1834	1.1831-1.1834	0.05-0.01c pm	0.30	0.28-0.24 pm	0.88
Nethlnd.	1.9795-1.9850	1.9835-1.9850	0.80-0.70c pm	4.53	2.40-2.30 pm	4.74
Belgium	28.88½-28.90	28.88-28.895	3-2c pm	1.04	9-7 pm	1.11
Denmark	5.2635-5.2685	5.2660-5.2675	2.40-2.90ore dis	−6.03	4.50-5.00dis	−3.61
W. Ger.	1.7730-1.7850	1.7825-1.7835	0.97-0.87pf pm	6.19	2.90-2.80 pm	6.39
Portugal	50.40-50.60	50.40-50.50	16-26c dis	−4.99	40-70 dis	−4.36
Spain	66.57-66.63	66.57-66.60	30-50c dis	−7.21	120-140 dis	−7.81
Italy	828.75-829.30	828.80-829.30	1.30-1.80 lire dis	−2.24	5.0-5.75 dis	−2.59
Norway	5.0500-5.0540	5.0520-5.0530	1.50-0.75ore pm	2.67	3.75-3.0 pm	2.67
France	4.1780-4.1830	4.1760-4.1775	0.50-0.35c pm	1.22	1.30-1.10 pm	1.15
Sweden	4.2450-4.2470	4.2450-4.2460	0.90-0.70ore pm	2.26	2.75-2.55 pm	2.50
Japan	245.00-247.00	246.75-246.85	1.45-1.30y pm	6.68	4.55-4.40 pm	7.25
Austria	12.80¾-12.82½	12.81½-12.82½	7.40-6.70gro pm	6.60	22.75-20.25pm	6.71
Switz.	1.6435-1.6570	1.6555-1.6565	1.62-1.57c pm	11.56	4.63-4.58pm	11.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Nov 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.612700	0.659093
U.S. $	12	1.29004	1.38607
Canadian $	14	1.52573	1.63806
Austria Sch.	3¾	16.5241	17.8041
Belgian F.	10	37.2789	40.1614
Danish K.	11	6.81786	7.31361
D Mark	6	2.29924	2.48107
Guilder	8½	2.55493	2.75551
French Fr.	9½	5.39301	5.81457
Lira	12	Unavail.	1150.09
Yen	6¼	317.360	338.202
Norwgn. Kr.	7	6.53792	7.01075
Spanish Pts.	8	85.9218	92.3124
Swedish Kr.	8	5.50396	5.89150
Swiss Fr.	2	2.13502	2.29741

CURRENCY MOVEMENTS

Nov. 15	Bank of England Index	Morgan Guaranty changes %
Sterling	68.9	−36.8
U.S. dollar	87.2	−5.9
Canadian dollar	80.4	−17.8
Austrian schilling	156.3	+23.9
Belgian franc	115.1	+14.0
Danish kroner	115.0	+2.8
Deutsche mark	156.9	+46.0
Swiss franc	200.1	+80.8
Guilder	124.6	+19.3
French franc	101.4	−5.8
Lira	54.7	−49.8
Yen	115.6	+14.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Nov. 15	£	$		£ Note Rates
Argentina Peso	3201-3221	1495-1505	Austria	27.15-27.45
Australia Dollar	1.9630-1.9670	0.9155-0.9160	Belgium	62.40-63.05
Brazil Cruzeiro	66.08-67.08	30.85-31.30	Denmark	11.17-11.26
Finland Markka	8.12-8.14	3.8030-3.8050	France	8.88-8.95
Greek Drachma	78.834-80.731	37.40-37.50	Germany	3.79-3.83
Hong Kong Dollar	10.75-10.77½	5.0180-5.0210	Italy	1770-1820
Iran Rial	n/a	n/a	Japan	522-527
Kuwait Dinar (KD)	0.582-0.592	0.2790-0.2791	Netherlands	4.21-4.24
Luxembourg Frc.	61.90-62.00	28.88-28.90	Norway	10.73-10.80
Malaysia Dollar	4.7025-4.7160	2.1935-2.1945	Portugal	104-112
New Zealand Dlr.	2.2100-2.2150	1.0295-1.0315	Spain	139½-148¾
Saudi Arab. Riyal.	7.03-7.13	3.3650-3.3665	Switzerland	3.51-3.54
Singapore Dollar.	4.6820-4.6970	2.1865-2.1875	United States	2.128-2.138
Sth. African Rand	1.7775-1.7815	0.8290-0.8300	Yugoslavia	44½-46

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.8456	40.2381	+0.99	+0.99	±1.53
Danish Krone	7.36594	7.33754	−0.39	−0.39	±1.635
German D-Mark	2.48557	2.48223	−0.13	−0.13	±1.125
French Franc	5.85522	5.82270	−0.56	−0.56	±1.3675
Dutch Guilder	2.74748	2.76126	+0.50	+0.50	±1.515
Irish Punt	0.669141	0.670031	+0.13	+0.13	±1.665
Italian Lira	1159.42	1153.89	−0.48	−0.48	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Nov. 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lire	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.144	3.825	529.0	8.956	3.550	4.255	1777.	2.538	61.95
U.S. Dollar	0.467	1.	1.784	246.8	4.178	1.656	1.985	828.8	1.184	28.90
Deutschemark	0.261	0.560	1.	138.3	2.341	0.928	1.112	464.4	0.663	16.20
Japanese Yen 1,000	1.890	4.052	7.231	1000.	16.93	6.711	8.043	3358.	4.797	117.1
French Franc 10	1.117	2.394	4.271	590.7	10.	3.964	4.752	1984.	2.834	69.18
Swiss Franc	0.282	0.604	1.077	149.0	2.532	1.	1.199	500.4	0.715	17.45
Dutch Guilder	0.235	0.504	0.899	124.3	2.105	0.834	1.	417.5	0.596	14.56
Italian Lira 1,000	0.563	1.207	2.153	297.8	5.041	1.998	2.395	1000.	1.428	34.87
Canadian Dollar	0.394	0.845	1.507	208.5	3.529	1.399	1.677	700.1	1	24.41
Begian Franc 100	1.614	3.460	6.174	853.9	14.46	5.730	6.868	2868.	4.096	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.25-14.35 per cent; three months 15.15-15.25 per cent; six months *14.60-14.70 per cent; one year 13.50-13.60 per cent.*

Nov. 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
‡Short term	15-15¼	13-13¼	11⅛-12½	9½-9¾	2⅜-2⅝	8⅜-8½	12-12¼	10-12	—	4-5⅝
7 days' notice	15⅛-15⅜	13¼-13½	12⅝-12¾	9½-9¾	2⅞-3⅛	8¾-8⅞	12¼-12½	12-14	13⅛-13¼	6 13/16-7 1/16
Month	16½-16¾	14⅜-14⅝	13½-13⅞	9⅝-9⅞	2 9/16-2 11/16	8⅛-8 5/16	12⅞-13⅛	14¾-15¾	14⅜-14½	7½-8⅜
three months	16⅝-16⅞	15 1/16-15 3/16	13 15/16-14 3/16	10⅜-10⅝	3 15/16-4 1/16	8¾-8⅞	14-14¼	15½-16½	15 1/16-15 3/16	7 15/16-8¼
six months	16¼-16½	14 15/16-15 1/16	13 15/16-14 3/16	10¼-10½	4 7/16-4 9/16	8¾-8 13/16	14-14¼	16-17	14⅞-15	7 13/16-8
one year	15½-15¾	13 11/16-13 15/16	13⅛-13½	9 15/16-10 3/16	4⅜-4½	8⅜-8 9/16	14-14¼	15¾-16¾	13¾-13⅞	7-7½

Long-term Eurodollar two years 13-13⅛ per cent; three years 12½-12⅝ per cent; four years 12¼-12⅜ per cent; five years 12¼-12⅜ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

U.S. rates ease

U.S. Treasury bill rates fell slightly in early trading, reflecting an increased demand for paper. Interest was stimulated by the availability of funds from stocks maturing yesterday. 13-week bills were quoted at 11.78 per cent compared with 11.90 per cent and yields on 26-week bills were lower at 11.88 per cent against 11.92 per cent. The situation in Iran continued to be a major factor unsettling the market and dealers expressed concern over the higher than expected rise in Bank of England Minimum Lending Rate. Federal funds were trading at 13¾ per cent, but rose slightly to 13½ per cent in later trading.

FRANKFURT — Interbank money rates were generally easier yesterday, with call money at 7.30-7.50 per cent compared with 7.50-7.60 per cent on Wednesday, and one-month money at 8.15-8.25 per cent against 8.25-8.35 per cent previously. The three-month rate was lower at 9.55-9.65 per cent from 9.60-9.70 per cent and six-month money fell to 9.20-9.30 per cent from 9.25-9.35 per cent. 12-month money showed a firmer tendency, however, rising to 8.95-9.05 per cent from 8.90-9.10 per cent. After yesterday's fortnightly meeting of the Bundesbank's Central Council, there were no changes in credit policy, much in line with market expectations.

PARIS—*Call money* fell to 12½ per cent from Wednesday's five-year peak of 12¾ per cent while the one-month rate remained at 12⅜-12½ per cent. Three-month money was steady at 12½-12¾ per cent but six-month funds were higher at 12¾-13 per cent compared with 12½-12¾ per cent, as was the 12-month rate at 12¾-13 per cent from 12½-12¾ per cent.

BRUSSELS—*Deposit rates for* the Belgian franc (commercial) were quoted at 13¾-14 per cent unchanged from Wednesday and three-month also unchanged at 14¼-14¾ per cent. Six and 12-month deposits were steady at 13¾-14¼ per cent and 12⅞-13⅜ per cent respectively.

AMSTERDAM—Call money was quoted at 9¼-9⅝ per cent against 9⅜-9⅝ per cent previously and one-month money was unchanged at 9¾-10 per cent. The three-month rate stood at 10⅜-10⅝ per cent against 10⅜-10⅝ per cent and six-month money rose to 10⅜-10⅝ per cent from 10¼-10½ per cent.

GOLD

Gold fell $6½ an ounce in the *London bullion market* yesterday to $383½-384½. Trading was subdued with little in the way of fresh factors to influence trading. The metal was fixed at $387.50 in the morning, after opening at $388-389, and fell further at the afternoon fixing to $386.00.

In Paris the 12½-kilo gold bar was fixed at FFr 54,350 per kilo ($404.03 per ounce) in the afternoon, compared with FFr 54,350 ($404.41) in the morning, and FFr 54,350 ($404.36) Wednesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 22,220 per kilo ($387.52 per ounce), compared with DM 22,320 ($390.03) previously.

	November 15		November 14	
Gold Bullion (fine ounce)				
Close	$383½-384½	(£178¾-179¼)	$390-391	(£185-185½)
Opening	$388-389	(£184-184¾)	$385½-386½	(£183-183½)
Morning fixing	$387.50	(£183.172)	$389.25	(£184.698)
Afternoon fixing	$386.00	(£180.290)	$390.00	(£184.966)
Gold Coins				
Krugerrand	$397-398	(£185½-186½)	$402½-403½	(£190¾-191¾)
Mapleleaf	$395-405	(£185-190)	$400-410	(£190-195)
New Sovereigns	$99½-100½	(£46¼-47¼)	$100½-101½	(£47½-48½)
King Sovs	$106½-108½	(£49½-51)	$107½-109½	(£51-52½)
Victoria Sovs.	$108½-110	(£50½-52)	$109-111	(£51½-53)
Fr20 Napoleon	FFr405-415	(SFr160-165)	FFr405-415	(SFr159-162)
50 pesos Mexico	$485-487		$485-487	
100 Cor. Austria	$380-382		$380-382	
$20 Eagles	$495-500		$498-501	
$10 Eagles	$255-270		$258-275	
$5 Eagles	$220-240		$223-243	

UK MONEY MARKET

MLR at 17%

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Bank of England increased its Minimum Lending Rate to a record 17 per cent yesterday from 14 per cent. Immediately after the 12.30 pm announcement trading was very confused, as 17 per cent was a little higher than most expectations. Market reaction to the overall package was one of disappointment. Buying rate on three-month Treasury bills were quoted at a nominal rate of 16⅜-16¼ per cent compared with 15¼-15⅜ per cent on Wednesday. Longer term rates were seen by some as rather low, with 12-month sterling certificates of deposit quoted at 15⅝-15⅜ per cent.

In the discount market day to day credit was in good supply, and the authorities mopped up the surplus by selling a moderate amount of Treasury bills to the discount houses. The market was helped by a large excess of Government disbursements over revenue transfers to the Exchequer and a small decrease in the note circulation. In addition banks brought forward balances a small way above target. On the other hand funds were drained by the redemption of British Electric 3½ per cent stock. Discount houses were paying around 12½ per cent for secured call loans at the start and later balances were taken as low as 9½ per cent in places.

In the interbank market, overnight loans opened at 12⅜-12⅝ per cent and eased to 11-11½ per cent before rising to 13¾-14 per cent. Funds during the afternoon fluctuated between 11 per cent and 13 per cent before easing to 5 per cent.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK

Prime Rate	15½
Fed Funds	13¼
Treasury Bills (13-week)	11.78
Treasury Bills (26-week)	11.88

GERMANY

Discount Rate	6
Overnight Rate	7.40
One month	8.20
Three months	9.60
Six months	9.25

FRANCE

Discount Rate	9.5
Overnight Rate	12.125
One month	12.4375
Three months	12.8125
Six months	12.9375

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.5625
Bills Discount (three-month)	8.125

LONDON MONEY RATES

Nov. 15 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	5-14	—	—	—	12⅞	9½-13	—	—	—
2 days notice	—	—	15⅝-16⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16½-16¾	15½-17	—	—	15⅛-15¾	14½-15¼	—	—	—
One month	17¼-16⅞	17⅛-17¼	16⅛-17	16¼-18	—	16⅛	16⅜-16⅛	16¼-16⅛	17⅜	17¾
Two months	17⅛-16⅞	17-17¼	—	18-17¾	—	—	16¼-16⅜	16⅜-16⅛	17⅛	17⅝
Three months	17⅛-16⅞	16⅞-17⅛	16⅞-16¾	17¾-17½	—	16⅞	16¼	16⅜-16⅛	16⅞	17¼
Six months	16⅝-16⅜	16½-16⅝	14¾-15⅛	17¾-17½	—	—	—	—	16-16⅛	16⅝
Nine months	16⅛-16⅞	16-16¼	—	16⅞-16⅝	—	—	—	—	—	—
One year	15⅝-15⅝	15⅜-15⅝	14¾-15½	16⅛-15⅞	—	—	—	—	—	—
Two years	—	—	14¾-15½	—	—	—	—	—	—	—

Local authority and finance houses seven days notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 14¾-15½ per cent; four years 14¾-15½ per cent; five years 14¾-15½ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅝ per cent; four-month trade bills 17 per cent.

Approximate selling rates for one-month Treasury bills 16-16⅛ per cent; two-months 16⅛ per cent; three-months 16⅛-16⅛ per cent. Approximate rates for one-month bank bills 16⅞-17 per cent; two-months 16¾-16⅞ per cent; three-months 16½ per cent; one-month trade bills 17½ per cent; two-months 17⅜ per cent and three-months 17 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from November 1, 1979. Clearing Bank Deposit Rates for sums at seven days notice 11½-12 per cent. Clearing Bank Rates for lending 14-15½ per cent. Treasury Bills: Average tender rates of discount 1[illegible]

APPOINTMENTS

Managing Director

for a private company, a market leader in fast moving consumer goods.

- THE PRINCIPAL SHAREHOLDERS agree that despite a good profit record, strong brand leadership, sales exceeding £20m, high technical competence and long standing staff loyalties, the business needs a thorough shake-up to attain continued growth and increased profit in the 80s.
- THE TASK is to provide creative business thinking, stimulating leadership and a new approach to old problems.
- THE APPOINTMENT demands the experience of one who has done just this in another company manufacturing and selling consumer goods through retail outlets and who wants the challenge of repeating success.
- FINANCIAL REWARDS can be quite high and terms will be attractive to those already earning £25,000 or more.

Write in complete confidence
to P. A. R. Lindsay as adviser to the company.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET LONDON W1N 6DJ
and
21 AINSLIE PLACE EDINBURGH EH3 6AJ

COMPANY NOTICES

UNILEVER N.V.

DIVIDEND ON CERTIFICATES FOR ORDINARY CAPITAL ISSUED BY
N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

Interim dividend payments in respect of the year 1979 will be made on or after 20th December 1979 as follows:—

SUB-SHARES OF FL.12 IN THE NAME OF MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY LIMITED now MIDLAND BANK TRUST COMPANY LIMITED

A dividend, Serial No. 103 of Fl.2.136 per sub-share, equivalent to 51.0333p converted at Fl.4.1855 = £1.
DUTCH DIVIDEND TAX *relief* is given by certain Tax Conventions concluded by the Netherlands. A resident of a convention country will, generally, be liable to Dutch dividend tax at only 15% (Fl.0.3204, 7.6550p per sub-share) *provided the appropriate Dutch exemption form is submitted. No form is required* from UK residents if the dividend is claimed within six months from the above date. If the sub-shares are owned by a UK resident and are effectively connected with a business carried on through a permanent establishment in the Netherlands, Dutch dividend tax at 25% (Fl.0.5340, 12.7583p per sub-share) will be deducted and will be allowed as credit against the tax payable on the profits of the establishment. *Residents of non-convention countries are liable to Dutch dividend tax at 25%.*
UK INCOME TAX at the reduced rate of 15% (7.6550p per sub-share) on the gross amount will be deducted from payments to UK residents instead of at the basic rate of 30%. This represents a provisional allowance of credit at the rate of 15% for the Dutch dividend tax already withheld. No UK income tax will be deducted from payments to non-UK residents who submit an Inland Revenue Affidavit of non-residence in the UK. To obtain payment of the dividend sub-share certificates must be listed on Listing Forms obtainable from:—

Midland Bank Limited, New Issue & Securities Department,
Mariner House, Pepys Street, London, EC3N 4DA.
Northern Bank Limited, 2 Waring Street, Belfast, BT1 2EE.
Allied Irish Banks Limited, 3/4 Foster Place, Dublin 2.
Clydesdale Bank Limited, 30 St. Vincent Place, Glasgow.

The form includes an undertaking to mark the certificates on release and these need not be lodged with the form.

DUTCH CERTIFICATES OF FL.1,000, FL.100 and FL.20

A dividend of Fl.3.56 per Fl.20 against surrender of Coupon No. 103. Coupons may be encashed through one of the paying agents in the Netherlands or through Midland Bank Limited; in the latter case they must be listed on the special form, obtainable from the Bank, which contains a declaration that the certificates do not belong to a Netherlands resident. Instructions for claiming relief from Dutch dividend and UK income tax are as set out above except that UK residents liable to Dutch dividend tax at only 15% must submit a Dutch exemption form. Dutch dividend tax on this dividend is Fl.0.89 at 25% and Fl.0.534 at 15%. The proceeds from the encashment of coupons through a paying agent in the Netherlands will be credited to a convertible florins account with a bank or broker in the Netherlands.

A statement of the procedure for claiming relief from the Dutch dividend tax and for the encashment of coupons, including names of paying agents and convention countries, can be obtained from Midland Bank Limited at the above address or from the London Transfer Office.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

London Transfer Office,
Unilever House, Blackfriars, London, EC4P 4BQ.
14 November 1979.

ALEXANDER FUND

Société Anonyme-
Luxembourg 37, rue Notre-Dame
R.C. Luxembourg N° B 7635

Notice is hereby *given that the Postponed* Extraordinary General Meeting of Shareholders of Alexander Fund, a société anonyme organized under the laws of the Grand Duchy of Luxembourg, will be held at the offices of Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg, at 11.00 a.m. on December 3rd, 1979, for the following purposes:

Agenda

1. To amend *Article 22 of the Articles of Incorporation* by adding to the second sentence: "... This reserve may also be used to offset realised and unrealised capital losses."
2. To renew a further period of five years the authority granted to the Board of Directors to issue further shares.

Shareholders are advised that an Extraordinary General Meeting with the same agenda had been convened for October 29th, 1979, and had to be adjourned due to a lack of quorum.

At this Meeting there will be no quorum requirements.

In accordance with Luxembourg Law, the resolutions to be proposed at the Postponed Extraordinary General Meeting and at any adjournment thereof will require the concurrence of the holders of two-thirds of the total number of shares represented at the Meeting, provided that shares not represented at the Meeting (up to a maximum of one-third of the total number of shares in issue) will be deemed to be represented and to vote in favour of the proposed resolutions, and that in that case each resolution will in addition require the concurrence of a simple majority of the shares actually represented at the Meeting.

In order to attend the Meeting the owners of bearer shares should deposit their share certificates five clear days before the Meeting at the registered office of the Fund or at a bank.

A shareholder entitled to attend and vote at the Meeting may appoint a proxy to vote on his behalf and such proxy need not be a member of the Company.

By order of the Board of Directors

COMPAGNIE FINANCIERE DE PARIS ET DES PAYS-BAS
NOTICE TO SHAREHOLDERS

The Board of Directors of the Company has decided to distribute an interim dividend for the Financial Year 1979, payable from 12th November, 1979 at the rate of F.Frs. 6.00 per share of F.Frs. 100 nominal.

Bearer Share Certificates

Against presentation of Coupon No. 171, residents of the United Kingdom will receive F.Frs. 4.88 per certificate of F.Frs. 100 nominal. (See Settlement of Additional Payments below.)

Coupons will be *paid at the rate* of exchange ruling on the day of presentation.

Bearer Deposit Certificates

Against presentation of these Certificates for marking of Square No. 8 residents of the United Kingdom will receive F.Frs. 0.244 per Certificate of F.Frs. 5 nominal. (See Settlement of Additional Payments below.)

Certificates will be paid at the rate of exchange ruling on the day *of receipt of the dividend on the underlying shares deposited in France.*

Settlement of Additional Payments

Under the terms of the Double Taxation Convention between France and the United Kingdom, residents of the United Kingdom will receive, subject to completion of Form RF-4 GB, on or after 15th January, 1980, an additional F.Frs. 2.77 per Bearer Share or F.Frs. 0.1385 per Bearer Deposit Certificate thus increasing their dividend entitlements to F.Frs. 7.65 per share or F.Frs. 0.3825 per Bearer Deposit Certificate.

Holders are advised to submit Form RF-4 GB at the time of presentation of Coupons and/or Bearer Deposit Certificates. Nevertheless for Coupons detached from securities deposited in a bank in France or the United Kingdom which in absence of proofs at the time of their payments have been paid at the net price of F.Frs. 4.88 per Bearer Share or F.Frs. 0.244 per Bearer Deposit Certificate can be subject to a later repayment up to 31st December, 1980 on production of the above mentioned documents.

Payments in respect of Coupons and Bearer Deposit Certificates will be subject to deduction of United Kingdom Income Tax at the standard *rate of 30% unless claims are accompanied by an affidavit.*

Coupons and Bearer Deposit Certificates should be lodged with:—

S. G. WARBURG & CO. LTD.,
Coupon Department, St. Albans House, Goldsmith Street,
London, EC2P 2DL,

from whom appropriate claim forms and further information can be *obtained.*

Compagnie Financiere de Paris et des Pays-Bas.

16th November, 1979.

McCARTHY GROUP LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO SHAREHOLDERS
PREFERENCE DIVIDEND No. 64

NOTICE IS HEREBY GIVEN that the sixty-fourth half-yearly preference dividend at the rate of 5'5 cents per share has been declared by the directors and payable to holders of Preference Shares registered in the books of the Company at the close of business on 28 December 1979.

The dividend is declared in the currency of the Republic of South Africa.

For the purpose of establishing the shareholders entitled to participate in this dividend, the preference transfer register of the Company will be closed from 29 December 1979 to 7 January 1980, both days inclusive.

Dividend warrants will be posted to shareholders on or about 29 January 1980.

In terms of the Republic of South Africa Income Tax Act of 1962, as amended, the non-resident shareholders' tax of 15% will be deducted by the company from dividends payable to shareholders whose addresses in the register are outside the Republic of South Africa.

By Order of the Board
B. J. CLOUSTON, F.C.I.S.
Secretary

Registered Office:
1101 Nedbank Circle,
577 Point Road,
4001, DURBAN.
Transfer Secretaries:
Hill Samuel Registrars (S.A.) Limited,
P.O. Box 62318,
2107, MARSHALLTOWN.
16 November, 1979.

NOTICE OF PREPAYMENT
STANDARD OIL COMPANY (INDIANA) 8% BONDS DUE 1988 EUA 40,000,000

In accordance with paragraph "Prepayment" of the terms and conditions of the above-mentioned Bonds, Bondholders are hereby informed that *Standard Oil Company will prepay* on January 7, 1980 the total amount outstanding of the captioned issue (i.e. EUA 30,500,000).

An amount of EUA 3,100,000 has been purchased and surrendered for cancellation.

The outstanding Bonds will be reimbursed in accordance with the terms and conditions of the Bonds at 102% on and after January 7, 1980 with coupon no. 7 (due on October 15, 1980) and all subsequent coupons attached, together with accrued interest amounting to EUA 18.22 per Bond and representing 82 days of interest for the period from October 15, 1979 to January 7, 1980. On and after January 7, 1980 interest on said Bonds will cease to accrue.

Payment will be made upon presen*tation and surrender of the Bonds at* the offices of the paying banks mentioned on the Bonds.

A certain number of Bonds, previously drawn (see our publication of September 6, 1979) has not yet been presented for payment.

THE TRUSTEE
FINIMTRUST S.A.

Luxembourg,
November 16, 1979.

CONSOLIDATED COMPANY BULTFONTEIN MINE, LIMITED
GRIQUALAND WEST DIAMOND MINING COMPANY, *DUTOITSPAN MINE, LIMITED*

(Both Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDENDS

NOTICE IS HEREBY GIVEN that the directors of the abovementioned companies have declared dividends for the six months ending 31st December, 1979, payable to shareholders registered in the books of the respective companies on 28th December, 1979. The dividends have been declared in the currency of the Republic of South Africa.

Warrants will be posted from the Kimberley and the United Kingdom offices of the transfer secretaries on or about 31st January, 1980. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 22nd January, 1980 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the companies' transfer secretaries in Johannesburg or in the United Kingdom on or before 28th December, 1979.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Kimberley and the United Kingdom.

Company	South African Currency Per Share
Consolidated Company Bultfontein Mine, Limited	$5\frac{1}{3}$ cents
Griqualand West Diamond Mining Company, Dutoitspan Mine, Limited	25 cents

By Order of the Boards
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. Greensmith

London Office:
40 Holborn Viaduct,
EC1P 1AJ.

Office of United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent, TN24 8EQ.

16th November, 1979.

UNILEVER N.V.

CERTIFICATES FOR ORDINARY SUB-SHARES OF FL.12 ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

NOTICE IS HEREBY GIVEN that Exchanges of Sub-share Certificates in the name of Midland Bank Executor and Trustee Company Limited, now MIDLAND BANK TRUST COMPANY LIMITED, for Bearer Certificates and Unilever N.V. New York Shares and vice versa will be *suspended from* 7th December 1979 to 20th December 1979 inclusive.

Certificates will only be accepted for exchange after 20th December 1979 provided that all dividends declared prior to that date have been claimed.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

London Transfer Office,
Unilever House,
Blackfriars,
London EC4P 4BQ.
14th November, 1979.

LEGAL NOTICES

No. 003277 of 1979

In the HIGH COURT OF JUSTICE Chancery Division. In the Matter of MELLINS LIMITED and in the Matter of THE COMPANIES ACT 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 24th October 1979 presented to Her Majesty's High Court of Justice for the confirmation of the cancellation of the Share Premium Account of the above-named Company of £312,443.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Oliver at the Royal Courts of Justice, Strand, London W.C.2 on Monday the 26th day of November 1979.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said cancellation of the Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 13th day of November 1979.

BRECHER & CO.,
78 Brook Street,
Grosvenor Square,
London W1Y 2AD.
Solicitors for the above-named Company.

THE COMPANIES ACTS 1948 TO 1967
EUROPA PHOTOGRAPHIC LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the 20th day of December 1979, to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their Solicitors if any, to

KEITH DAVID GOODMAN, FCA,
of 3/4 Bentinck Street,
London W1A 3BA,

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are by their Solicitors, or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 8th day of November, 1979.

K. D. GOODMAN, Liquidator.

PUBLIC NOTICES

CITY OF BIRMINGHAM
MORTGAGE LOANS

NOTICE IS HEREBY GIVEN that the REGISTER OF MORTGAGES will be CLOSED to TRANSFERS from 1st December to 31st December 1979, both dates inclusive.

W. S. PAGE
Principal Chief Officer
and City Treasurer

The Council House,
Birmingham B3 3AB.

CITY OF BIRMINGHAM
GAS AND WATER ANNUITIES

NOTICE IS HEREBY GIVEN that in order to prepare annuity repayments due on the 1st January, 1980, the ANNUITIES REGISTER will be CLOSED from 1st December to 15th December 1979, both dates inclusive.

W. S. PAGE
Principal Chief Officer
and City Treasurer.

The Council House,
Birmingham B3 3AB.

GATESHEAD BOROUGH COUNCIL
£4m Bills issued 14.11.79. Maturing 13.2.80. £2m Bills issued at $14\frac{15}{16}$% and £2m Bills issued at 15%. Total applications £24m. Bills outstanding £4m.

HAMPSHIRE COUNTY COUNCIL
£7m 28-day Bills issued 16th November 1979, due 14th December 1979 also £7m 91-day Bills issued 16th November 1979, due 15th February 1980 both at $15\frac{1}{8}$%. Applications totalled £81m. Total outstanding £42m.

METROPOLITAN BOROUGH OF SANDWELL
£2.25m Bills issued 14.11.79. Maturing 13.2.80 at 15%. Total applications £15.25m. Bills outstanding £5.75m.

READING BOROUGH COUNCIL
£950,000 Bills issued 14th November due 13th February 1980 at $14\frac{1}{16}$%. Applications totalled £9.55m. No other Bills outstanding.

ROTHERHAM BOROUGH COUNCIL
£2m Bills issued 14.11.79. Maturing 13.2.80 at $14\frac{3}{4}$%. Total applications £16.5m. Bills outstanding £3m.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 629 6176. TURNER LOAN EXHIBITION—Picturesque Views in England and Wales. Until 7 December. Adm. 50p in aid of the A.G.B.I. Mon.-Fri. 9.30-5.30 Thurs. until 7.

BROWSE & DARBY LTD., 19 Cork St., W.1. 01-734 7984. RALPH BROWN—Sculpture. 8th November-1st December.

CHRISTOPHER WOOD, 15, Motcomb St., SW1. 235 9141. Autumn Exhibition. Fine Victorian Paintings, Drawings and Watercolours. Weekdays 9.30-5.30.

CITY AND GUILDS OF LONDON ART SCHOOL. Centenary Exhibition at FIELDBORNE GALLERIES, 63, Queens Grove, St. Johns Wood, NW8. 586 3600.

COLNAGHI, 14, Old Bond St., London, W1. 01-491 7408. ENGLISH DRAWINGS & WATERCOLOURS. Until 20 Dec. Mon.-Fri. 9.30-6. Sats. 10-1.

DAVID CARRITT LTD., 15, Duke Street, St. James's, SW1. THE CLASSICAL IDEAL. Athens to Picasso. Until 14 December. Mon.-Fri. 10-5.

FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. "The Rustic Image."

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. An exhibition of IMPORTANT 19th AND 20th CENTURY PAINTINGS. Mon.-Fri. 10-5, Sats. 10-1.

LUMLEY CAZALET, 24, Davies St., W1. 499 5058. Original Prints by 20th Century Masters and Young Artists. Also Belle Epoque Prints. Mon.-Fri. 10-6; Thurs. 10-7.

MALL GALLERIES, The Mall, S.W.1. Paintings by C. Anthony Law. Mon.-Fri. 10-5. Sats. 10-1. Until 17th Nov. Adm. Free.

MAAS GALLERY, Exhibition of paintings, watercolours and drawings by NORMAN HEPPLE, R.A., at 15a Clifford Street, New Bond Street, W1. Mon.-Fri. 10-5. OPENS MONDAY.

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CINEMAS

CURZON, Curzon Street, W1. 499 3737. LEE REMICK in THE EUROPEANS (U). Progs. 2.0 (not Sun.) 4.00, 6.20, 8.40. "As near perfection as one could wish . . . a treat of a film." Alexander Walker, Evening Standard.

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NOVEMBER 30 1979

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FINANCIAL TIMES SURVEY
Friday November 16 1979

International Conferences and Exhibitions

Despite some encouraging prospects for the wide-ranging business of international conferences and exhibitions, the providers of facilities are facing increasing demands from organisers for more sophisticated services, higher standards and better bargains in all sectors of the market.

Buyers drive hard bargains

By Arthur Sandles

THE EXPLOSIVE growth of the *conference and exhibition* business world-wide has been a notable phenomenon of the *'sixties and 'seventies. At first* glance, such growth would seem to be something of a contradiction. In a world *which prides* itself on its communications it might appear that the need, physically, to gather for an exchange of views would be reduced rather than increased. It might also seem that an acceleration of these means of communication, particularly in the fields of electronic facilities would further reduce the justification for actual contact.

Past experience indicates, in fact, that the reverse is the case. As electronic information storage and communication systems develop, so the urge for personal contact increases. And, it seems, there is more to it than the fact that you cannot take coffee with a computer.

But before launching into rosy-eyed analysis of the thirst-for-knowledge aspect of the growth in conference business, it is worth noting that *there has* been some encouragement of the trade by commercial interests.

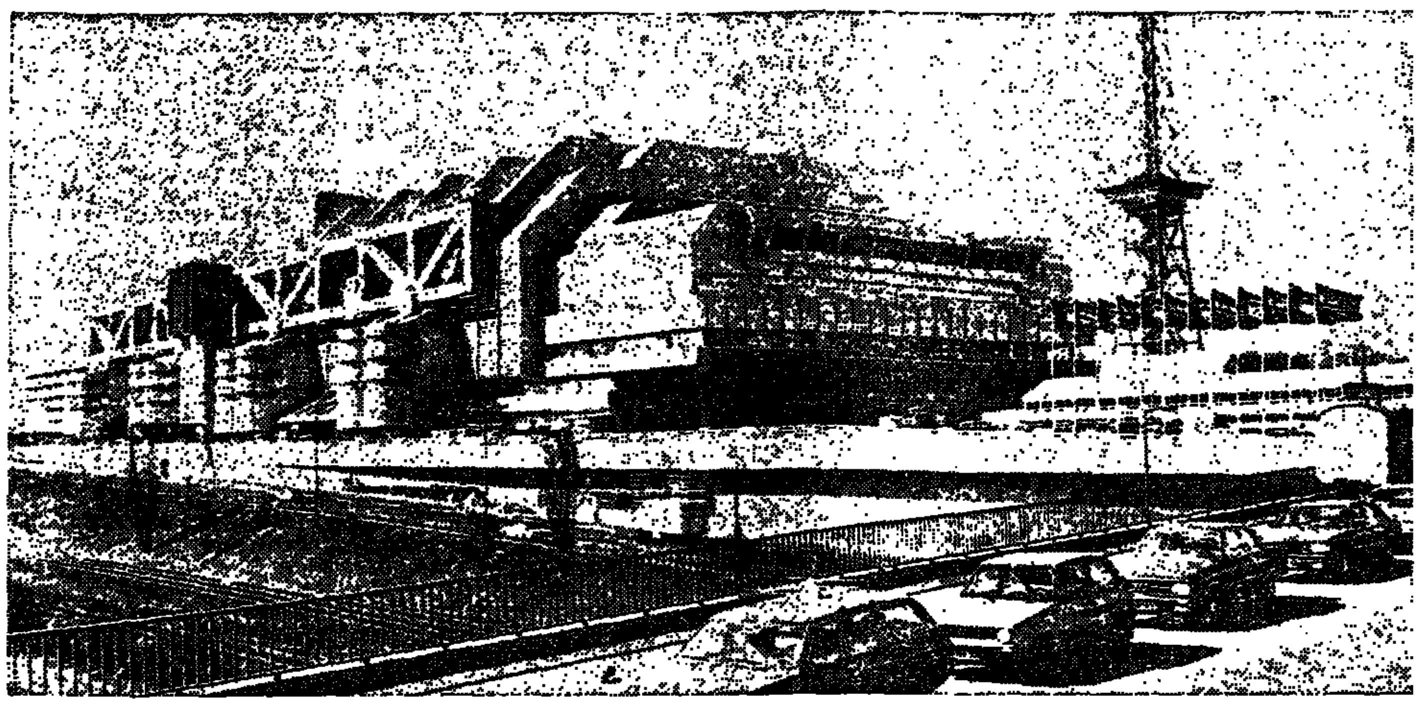
Although there *is* a long tradition of resort towns using conferences as an off-season *space filler, this fashion* has long since spread beyond the seaside. Hoteliers are eager to fill their rooms and cities are eager to fill their streets with conference visitors when tourists are not around in force. In fact, for many centres the average conventioner is a great deal more welcome than the tourist, if only because he or she is likely to spend more heavily.

Indeed, what was for a long time an "after-thought" business is now, in many cases, a prime target for both the hotel and catering industries and for the cities involved. It is a market*ing war which has, for example*, seen London become the most popular centre in the world for *international conventions.*

The evidence of the enthusiasm of local communities and Governments to move into the conference and exhibition circuit can be seen everywhere from Chicago to Berlin, from Birmingham to Torremolinos, from Manilla to Monte Carlo, in the shape of sparkling new facilities for the conventioner.

This is not mere building for prestige. Today's conventioner can easily be spending $100 a day in the city of their choice; and with some of today's international events attracting 5,000 or more delegates, the gains are clearly enormous.

A modest 1,000 delegate event can be spreading $100,000 a day around the local community.


The new £200m International Congress Centre in Berlin

When money like this is at stake, many cities are prepared to see an apparent direct loss on their conference and exhibition centre for the benefits it offers in terms of providing employment and bringing prosperity to local traders.

All this, however, is to take a simplistic view of conferences and exhibitions. The business is, in fact, complex and the demands of its consumers vary enormously. Events range in size from the giant well-publicised party jamboree to the tiny, highly secret, weekend gathering of executives to discuss new marketing strategies or the latest take-over.

An exhibition can be a highly technical, and fairly intimate affair, perhaps aimed at a specific area of sophisticated engineering, or a massive tub-thumping, open-to-the-public event, which is as much show-business as exhibition.

Clearly, these are different businesses, all requiring different approaches. It would not be much use, for example, the French resort of Cannes trying to win the British Labour Party conference custom in 1981. And just as some conferences never move outside their own country, some never stay within it and never repeat a destination—the British Association of Travel Agents which is conferring this month, is an example. The 1979 ABTA venue is Los Angeles; the 1978 location was the Costa del Sol and in 1980 the whole caravan moves to Florence. Its American equivalent, the American Society of Travel Agents (ASTA) has just completed its frolics in Munich.

The big league conference centres compete for these events, each knowing the rules of the intricate ritual usually involved. Many international bodies, for example, have their conferences in a different continent each year, so that it is no use Rotterdam bidding in 1981 for a convention which is being held in Vienna in 1980.

Reputation

While the large conference centre or city often tries to win a reputation, the smaller ones look more often to loyalty. In other words, once an organisation or company has found a centre, or more likely a hotel complex, which offers the right facilities and the right environment for its gatherings then it *is probable* that the custom will stick.

For slightly different reasons, *loyalty is also the name of the* game in exhibitions—at least, those which are not linked to a conference. There *is* a difference between exhibitions which are a spin-off from conferences and conferences which are staged coincidentally with exhibitions.

Exhibitions often have to find their place on a crowded industrial calendar and organisers are less than eager to change locations or dates. It could be argued that the Geneva Motor Show would lose some of its zip if it were held in Madrid; the Paris Pret-a-Porter circus would hardly function as well if every*one moved off to Philadelphia* for the celebrations; and the main American Gift and Incen*tives Fair would look somewhat* out of place anywhere but the giant Chicago MacCormack Center.

But back to the question of motivation. There is good reason to think that the very abundance of printed, visual and more recently electronic information, in fact combine to isolate the individual. Amid the blizzard of paper which assaults most of us today, a surprising number are able to claim that they do not know what is going on, particularly in their own specialist field.

The flow of material leads to a sense of starvation of human contact. Perhaps it is that the constant supply of facts leaves an enormous gap in the field of exchanges of views, the bouncing-off of ideas. Conferences break down the walls of sheer information which frequently surround life today.

In a very similar way, the exhibition gives an opportunity to see, feel, use and discuss which cannot be provided by *the written word.*

The future of the conference and exhibition business is not *necessarily one of unquestioned* rosiness, of course. The problems of recurring fuel worries, *the general international economic down-turn and* the increasing tendency of companies and, indeed, organisations *of* any sort, to look closely at their budgets are all combining to make the conference and exhibition markets look to their laurels.

One *outward sign of this is* a tightening up of conference schedules with the emphasis on ancillary leisure being a little less obvious (a trend, however, which may have as much to do with the vigilence of the American internal Revenue Service as with the new-found enthusiasm for work on the part of the world's conventioners).

At the same time, conference organisers are pressing for consistently better bargains, while, at the same time, seeking higher standards. The boom in hotel and convention centre building that took place almost universally in the late 60s and 70s has led to a surfeit of supply in some sectors of the market, notably for the medium-sized gathering.

For the moment, therefore, the providers of facilities are working in a highly competitive market place. For the buyers, at least, this means that, whatever the motivations, there are some hard bargains to be driven.

Viewpoints on marketing

MOST CONFERENCE and exhibition centre people in London, be they owners, agents or promoters, will tell you they do not try very hard to sell their particular venue but rather devote an enormous amount of energy, expertise and expenditure in "selling the city" in which the venue is located.

"Destination is everything when you're selling a conference centre," says Mr. Paul Swan, marketing director of Spectrum, the conference company which, in Britain, represents the International Congress Centre (ICC), Berlin—Europe's newest and most spectacular conference centre.

"We have the newest, largest, most sophisticated conference centre in the world, but that is not what is selling it—it's the fact that it is located in Berlin," he adds. "The delegates to a conference aren't really all that interested in details such as the centre's claim to have the world's most modern audio-visual equipment. Delegates are more interested in the fact that Berlin has a wall running through the middle of it . . . and 5,500 bars, cafés, clubs and restaurants."

Mr. Geoffrey Smith, director of the London Convention Bureau, a division of the London Tourist Board and the promotional umbrella for all London's conference facilities, plus associated ground facilities and hotels, agrees that the destination is what he and his marketing team sell first.

"And when I say destination, I mean the city, not the country: the reason that London is the world's number one conference destination is because London is regarded by so many conference delegates as the most exciting city in the world.

"The first emphasis when we are talking to potential customers is the traditional tourist appeal that London has for conference delegates. Then we sell our superb facilities—London has an extraordinarily comprehensive range of conference centres from Wembley and the Barbican through to little church halls, as well as a complete range of hotel accommodation. And then our communications — we have the largest international airport in the world.

"We also have what we like to call our 'secret weapon,' in any sales presentation—the Londoners themselves. Londoners have a tremendous reputation of being friendly people, of being nice to visitors—and that is an important asset when we're selling this city as a destination."

Two companies which regularly benefit from the London Convention Bureau's promotion of the city as a destination—the three-year-old Wembley Centre and the Barbican Centre which is taking bookings for the period after its summer, 1981 opening date—agree that is essential to sell London first.

Mr. Ralph Miller (manager of the Wembley Conference Centre), who last month visited The Hague and Amsterdam as part of one of LCB's regular "outward missions," says it's the word London that draws the buyers. "Most buyers are not *that* aware of what Wembley has to offer—they tend to think of it purely in its sporting context and perhaps consider that the centre is part of the arena," he adds.

Mr. Angus Watson, head of publicity for the Barbican Centre, comments that all their promotions emphasise the fact that the centre is in London, and enumerate the associated advantages.

Features

"But we also emphasise the additional features that are unique to the Barbican—the cultural heritage of the City of London and its historical setting. And if, for example, we are selling to medical conference buyers, then we emphasise the area's proximity to London's hospitals and universities. But we know the fact that we are in London is what helps to give us many international prestige events, such as the 1983 World Petroleum Conference, which we signed-up last month."

There are those who certainly would not agree that it is a city which alone "sells" a conference or exhibition, particularly if it is outside of London. Although Birmingham, for example, has long used the slogan "Conference city at the centre," in helping to emphasise the scope of Britain's second city, it is the facilities which win many big events. At the impressive National Exhibition Centre, near Birmingham, a spokesman, Mr. Lyndon Jenkins, says: "We emphasise the facilities that the NEC has to offer. And when you look at the number of major exhibitions we have attracted away from London, our marketing strategy has worked. We now have 83 per cent of the major trade shows in the UK.

"We have found that potential exhibitors are more interested in the fact that at the NEC *they have the space* and facilities to display their goods to a better advantage than anywhere else in Britain—and they can move those goods here more easily: our marketing emphasises our superb communications, an international airport, a new railway station, plus the motorway complex running past our door. And we are only 80 minutes from London if visitors want a 'taste' of the capital."

"Our bookings during the three-and-a-half years that we have been open, and our forward bookings to 1984—and even longer, now that we have signed the Motor Show for another 10 years—have exceeded the most optimistic expectations of the Birmingham Corporation. Many didn't expect this in five years, let alone three. I like to think our marketing helped."

So how did the NEC go about marketing the centre that some rivals in London once predicted would be a large and expensive white elephant?

"Well, first of all we went to the organisers and trade associations and persuaded them that Birmingham's facilities had much to offer. Then we went to the overseas organisations. At first, we did encounter some natural resistance to Birmingham as a venue, but the fact that the NEC has unrivalled facilities ultimately overcame that problem.

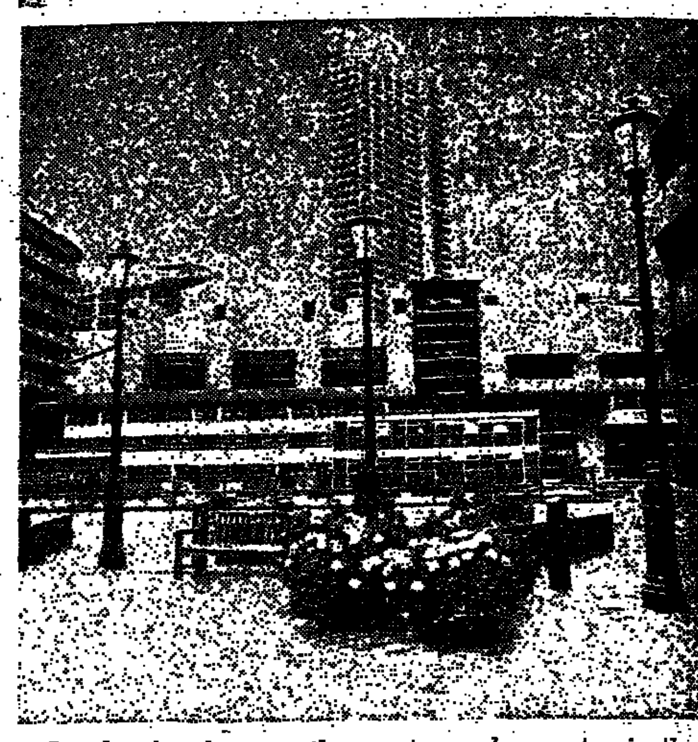
"Although advertising was undertaken in trade journals in about 60 countries, one of our most effective marketing tools was our site visits—bringing groups of potential buyers and Press visitors to Birmingham to see the NEC complex. Before *the opening* in February 1976 we had introduced 35,000 people to the NEC by means of a personal visit," he adds.

The £40m NEC has consistently, since opening, made operating profits though the bulk of the capital building cost has yet to be tackled.

"An average of 35 trade and public exhibitions are staged each year," he adds. "In 1983, the NEC will stage the highly-prestigious International Textile Machinery Exhibition, for the first time in the UK. The spin-off benefit from this one show to the host country is estimated to be around £120m."

Robyn Wilson

Mr. Paul Swan (right); a strong emphasis on destination when promoting the new Berlin Congress Centre.



London has become the most popular centre in the world for international conventions. Facilities for such events are being steadily expanded. Above: a view of the front of London's new £80m Barbican Centre for Arts and Conferences, which is due to open in 1981 and will provide a major conference centre in the heart of the City

How to 'sell' a city

BERLIN'S NEW pride and joy, the £200m International Congress Centre, was financed by the city fathers. The Berlin State Government is prepared to write-off the construction, marketing and operating costs (unlike the situation in Britain with the National Exhibition Centre, near Birmingham), in the belief that the thousands of conference delegates now converging on Berlin will spend enough money in the city to compensate for those enormous costs.

"A recent survey in Berlin shows that the average conference delegate spends £55 a day *in* Berlin—30 per cent of that is on his hotel, and the rest is mainly shopping and entertainment. Because of the unique geographical problems of Berlin, the local government is prepared to pay those costs to bring people into the city," says Mr. Paul Swan, marketing director of Spectrum, the conference company representing ICC in Britain.

Mr. Swan's German bosses, AMK, the German conference and exhibition company that operates ICC for the Berlin Government, began planning its selling campaign 13 years before the April, 1979, opening date by drawing up lists of all those associations and organisations, plus corporate bodies, which were likely to hold conferences anywhere in the world.

Three years ago, the company began the hard sell, with a model of the centre, and a stock of impressive colour propaganda at a conference on conferences, in London, and a similar meeting in the U.S. The company also began a heavy Press advertising campaign in international newspapers and trade journals. In 1977, with the appointment of Spectrum, they made an impressive and costly *audio-visual promotion and also* began the first of hundreds of facility trips for the world's conference-buyers and Press.

Mr. Swan believes those facility trips were the key to ICC's success in filling its advance order book: "From the UK we took about 15 groups—each with around ten people—half from the Press, and half potential buyers. The object was not so much to sell the centre, but rather the city of Berlin. Most people at that stage had a fairly negative picture of Berlin—they saw it as a little grey city with a wall around it.

"We had to convince them all that Berlin is a lively, living city with such attractions as 62 [illegible]es and 185,000 acres of parks and forests—and, of course, [illegible] 5,500 bars and restaurants.

"In those three-day trips we [illegible] only about three hours on presentation about the centre [illegible]ess time than we devoted to [illegible] tour of East Berlin. It cost [illegible] £300 per person, per [illegible] was well worth it in [illegible] of positive images in the [illegible] of buyers, as well as the [illegible] coverage we received [illegible] Press."

The buyers on those facility trips were divided almost equally between Association executives who influence the decision on where the association will hold its next conference, and company executives who choose or influence the [illegible] of the site for the company's next sales conference or dealer presentation.

In Mr. Swan's eyes, and, indeed, in the eyes of most conference space sellers, the most sought-after conference buyer, the one at whom most marketing is aimed is the representative of the international association, who, for example, is looking for a venue for his association's 12th triennial get-together—"The big international associations are obviously the most important. Six or seven thousand people meeting in one place for a week, all spending £55 a day—that's big, big business."

The other sought-after group of conference buyers are the representatives of companies which have already made a decision to take their annual conference overseas. The corporate buyer is doubly attractive: to the centre owner because companies spend more per delegate on food and extras than do associations—and to the city because the company delegate tends to spend more outside of conference hours.

Money

"If the conference is costing him nothing, if the company is footing the bill for everything, the delegate will spend much more in night clubs and in the shops—he changed all that money at the airport and now he has to spend it," says Mr. Swan.

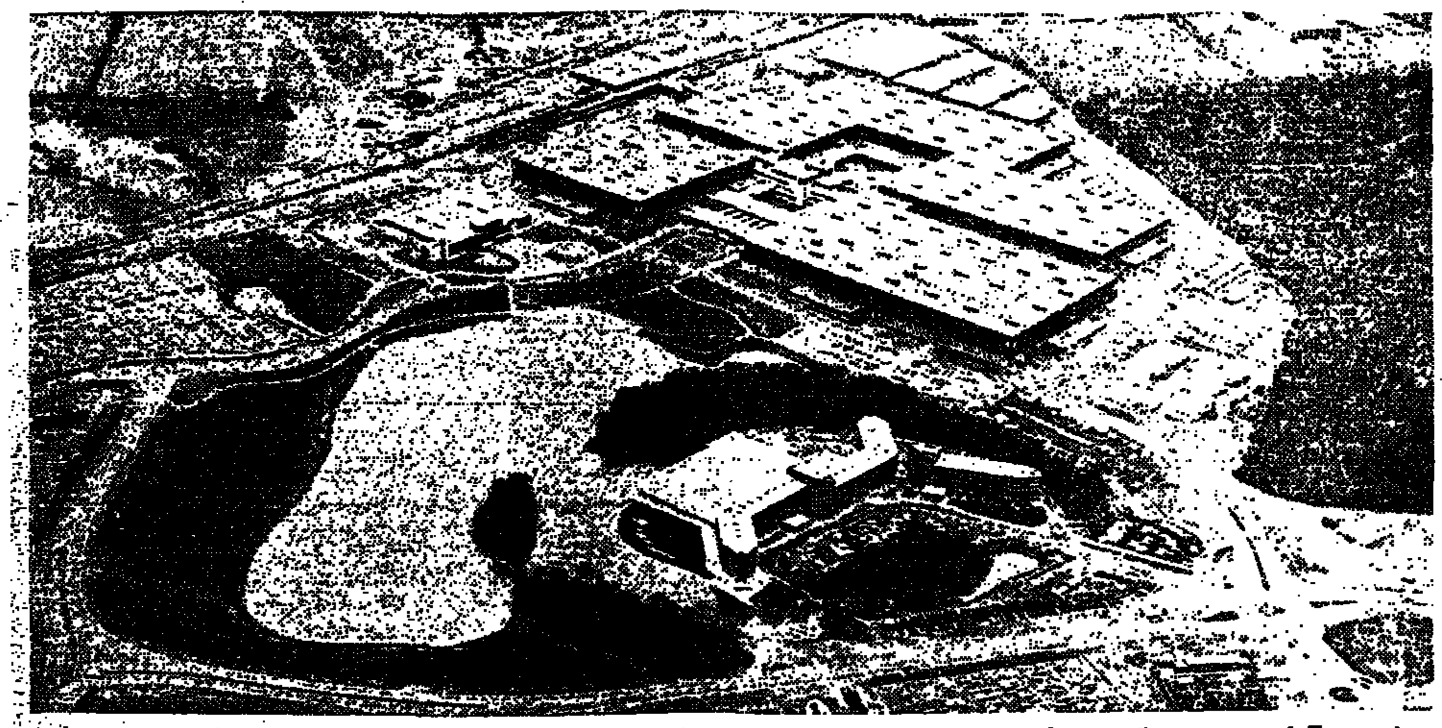
But among the world's conference and exhibition centre owners, the favourite customer of all is the corporate customer who is launching a new product: "We find that if a customer is handling a new product launch, the cost is relatively unimportant. If, for example, *the international conference of* left-handed sewers will all be paying for their own lunches and so will opt for the cheapest possible menu, the company which is entertaining dealers will insist on flying asparagus tips from the other side of the world if it will make a more memorable meal, and he will use all the facilities you have available, regardless of expense: we have one car company that is spending £¾m on a one-day new product launch."

But there is one major drawback to these big-spending corporate customers. Unlike the international associations which book four or even eight years in advance, the company-buyer works on very short lead times. Often, he will not know until six months in advance that the product is finally already to be unveiled.

"That's the dilemma facing all conference and exhibition centre owners today," adds Mr. Swan. Do you fill your diary with advance bookings for international and national associations for the next five years—knowing that they are not as profitable as corporate business, but knowing, at least, that your facilities are full?

"Or do you turn down some of the long-term association conference bookings, especially in the peak corporate promotion and presentation months of September and October, and leave some gaps, hoping that you will be able to pick some very lucrative last-minute corporate business?"

R.W.



In the area of design, the National Exhibition Centre, at Solihull, near Birmingham, offers some of Europe's finest facilities for exhibitors. This year has been the busiest yet for the NEC, which opened in 1976 and now claims to attract 83 per cent of the UK's major trade shows

Big advances in building design

BUILDINGS FOR exhibitions have always given architects and designers good opportunities to create something exciting. The very nature of the buildings demands that they should be attractive and impressive. The use of exhibition halls and conference centres is always temporary: visitors come for a few days at the most and expect to be in agreeable surroundings. They are also promotional buildings, frequently sponsored by governments and so seen as part of the national image.

Looking back at the large number of new facilities built for exhibitions, trade fairs and conferences *during the past few* years, it is clear that architects still rise to the challenge as Mr. Joseph Paxton did when he designed the first great exhibition centre, the Crystal Palace. John Ruskin was to describe Paxton's efforts as, ". . . a greenhouse larger than ever greenhouse was built before" but it cannot be denied that *Paxton produced a building in* 1851 that has never really been matched.

In the past 10 years there has been a spate of buildings for exhibitions and in England, as well as the huge National Exhibition Centre near Birmingham, there has been a considerable growth in the numbers of "convention centres," used for conferences as well as the occasional exhibition. In Brighton, 5,000 delegates can confer in new facilities funded by the municipality as can a mere 2,000 at Harrogate. The successful Wembley conference centre is proving to be a good investment for its private owners who funded the £13m venture.

But English facilities do suffer from not being at the centre of affairs. Despite the success of both Wembley and Birmingham, the need remains for improved and new facilities in the centre of London. Plans for the extension of facilities in London's Dockland and the opening in 1980 of the Barbican conference centre will improve the capital's facilities.

In design terms, one of the best of the recent crop of buildings is undoubtedly the Bella Centre in Copenhagen. It is geographically situated close to the centre of Scandinavia and is close to the capital's airport. It claims to be the only centre in Europe where marketing, congress, meeting and exhibition facilities are under one roof. It was designed by the architect Ole Meyer and the engineer Erik Jorgensen and is a flexible structure of concrete, steel and glass covering some 73,000 square metres.

It has been designed so that a great deal of the structure is visible and looks most effective when seen as a background to exhibits. The centre of the complex is the large glass covered hall which looks like an elegant glass tent, and acts as a *concourse for the visiting public.*

The total range of facilities available is most impressive. In six blocks, each of them three storeys, is the Scandinavian trade mart. The congress centre has its own entrance and can house up to 6,000 people. There are several large and small conference rooms and six language interpretation centres. One very striking thing about the Bella Centre is that it is designed to be totally accessible to the handicapped—there are no steps *and even the telephone boxes* can be used by visitors in wheelchairs.

Unusual

A more unusual looking exhibition facility is to be found in Mannheim. Looking from above like two giant turtles made of wood, the Mannheim garden halls are part of the larger Herzogenreid exhibition area. They are remarkable lightweight structures designed by Carlfried Mutschler and Partners with the distinguished help of Frei Otto. They are two giant wooden shells built of a lattice covered by a semi-transparent polyester fabric.

The oil-rich Gulf has provided plenty of architectural opportunities and a consortium of leading designers, Rolf Gutbrod, Frei Otto and the British firm Ove Arup and Partners have recently built a hotel and conference centre in Mecca.

The buildings stand in a wadi between Mecca and Jeddah and have been especially designed to withstand the hot sun. Influenced by the wooden lattice sunshades in old Jeddah known as *kafesses* the architects have adopted a modern version of this shading technique. The collection of buildings has a series of focal points each with its own sun shading.

India has invested considerably in a permanent complex of exhibition structures out on the Mathura Road in New Delhi. The site overlooks the imposing ramparts of the Purana Qila, and is designed around two great halls, the Hall of Nations and the Hall of Industries. The architects, Raj Renal and *Kuldip Singh, have based their* design on an unusual combination of octahedron units and the result is a series of domed spaces that are flexible and adaptable in use.

Japan has one of the most original of all the newer exhibition halls, designed by their leading architect Arata Isosaki. The West Japan Exhibition Centre is situated in the city of Kitakyushu, a fishing and marine centre. To fit in with *the nautical waterside setting,* the architect has created a silhouette of rows of steel masts with slanting cables that support the buildings. It looks like a great oil tanker that has suddenly sprouted 16 masts. The main glass and steel buildings are gathered around a water filled court where they are effectively reflected.

Impressive

Another Japanese architect, Kenzo Tange, has designed an impressive exhibition pavilion in Bologna. He has built a very striking tubular steel structure consisting of five pairs of steel spandrels supported on an external network of triangular tubular frames. Inside there are long promenades between the exhibition booths.

British firms of architects have designed two very striking and successful exhibition and conference centres overseas. In Khartoum the Architects Co-Partnership designed the International Fair buildings on a site along the banks of the Blue Nile.

As well as British architects, 99 per cent of the suppliers and manufacturers for the centre were from the UK. The fair building opened early last year. There are four large pavilions and *three halls* set *along* a pedestrian route in the park. The grounds are landscaped with an *elaborate* series of canals and lakes complete with glass fibre crocodiles. Although the larger buildings use advanced space frames in their construction the smaller buildings are simply designed and are built of local materials.

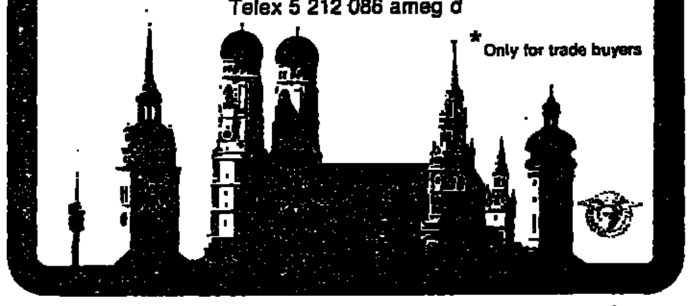
In Saudi Arabia it was the British architect Trevor Dannatt who won the international competition to design the Riyadh conference centre for the Saudi Arabian Government. It is a very simple and well-designed building that is grand in an austere way. It is beautifully detailed inside with a conference hall for 1,400 delegates lined with wall panels of blue shot silk. White marble floors and the use of fine timber create an atmosphere of comfort and unostentatious luxury.

What is the future of this building type? There seems no liklihood of the demand for such centres decreasing. In America, the larger trade marts are *a possible forecast* of the way things may also go in Europe. In New York, plans are under way to build a convention centre that will be one of the largest in the world.

London may not be so far behind. The last Government had plans for a conference centre that, while not as large as New York's, may occupy one of the finest sites in the world. The famous Broad Sanctuary site opposite Big Ben and next to Central Hall, Westminster, may be the spot for the excellent design proposed by Powell and Moya. It would be a vote of confidence in the quality of British conference centre design if this plan were to go ahead.

It is clear, even in this survey of some of the newest buildings in the world, that the exhibition and conference area is of major importance in the generation of innovative designs.

Colin Amery



Many pitfalls for exhibitors

PROBABLY THE biggest single change that has come over the exhibition business in the past 20 years has been the swing away from consumer-oriented events to a much greater emphasis on trade shows. There is considerably greater interest in firing the enthusiasm of retailers and potential distributors than there is in a direct appeal, via exhibitions at least, to the consumer.

The basic reason for this is the good old question of returns on investment. Manufacturing exhibitors found frequently that the investment in time and money did not actually produce sales at the end of the day in sufficient quantity to make the exercise justified. More and more consumer shows today are dominated by retail or direct sell interests, people who more often than not use exhibitions as selling events rather than simply as platforms to display ware and refer interested parties on to others.

Orders

If anything, therefore, the exhibition business has moved inexorably from a publicity oriented activity to one of hard nosed selling. Today's exhibitor assesses his success or failure on the thickness of his order book at the end of each day.

But in both public and trade exhibitions the participant faces the continuing problem of sorting out who is worth spending time with and who is not. The simple expedient of having a visitors book often deters the flippant inquirer without upsetting — in fact in can often flatter—the genuine, but there is little to replace competent stand staff. It is surprising how often large sums of money will be spent on providing an elaborate display which is then left in the hands of someone incompetent.

For the first timer, the world of exhibitions is one of confusion and pitfalls. It is easy to forget that even exhibitions are subject to basic local regulations such as those affecting fire and catering standards. It is all very well drawing up plans for a brilliant new stand only to find that the local fire officer throws the whole lot out and the local health inspector puts the final knife in by closing the place because the washing up facilities are unsuitable.

The subject is further confused by the problems of insurance (what happens if the mayoress rips her new fur coat on a nail on your stand?) and craftsmen (the exhibition business is its own little maze of union agreements).

Even old hands at the game have little hesitation in calling in outside assistance. Designers usually charge a fee proportionate to the total costs in accordance with a scale set out by the Society of Industrial Artists and Designers. However, it is as well to be cautious about examining any designer's track record, and his ability to work within a budget. It is extremely difficult to switch course once the time of an exhibition approaches, particularly if it is overseas.

Similarly, it is essential to make sure that the standfitter employed also has a good history. Union rules in the field are extraordinarily strict and an attempt at cutting corners by a contractor can very easily end with you not having a stand when the show starts.

The actual running of the stand itself is something which could have whole books written about it. A company can easily find itself having spent a week pouring whisky down the throats of assorted free-loaders without any visible result except a hole in the bank-balance. But all need not be boring work. Last year Mr. Eustace Fendick, publicity manager of British Ropes, made an excellent presentation about exhibition problems at the Wembley Exhibition Centre making this very point.

"The visitor must be provided with self-amusement or education so that he can occupy his time fruitfully while waiting to see company personnel currently engaged with other visitors. Some provision must also be made for a visitor's wife should she be accompanying him. New products must be featured in prominent positions and details made available in a form the visitor can take away with him. If need be, a demonstration can be staged. For my company, rope splicing will always attract a crowd—especially if the splicer is a pretty girl who is also a competent yachtswoman who can talk on equal terms to the visitor."

Mr. Fendick did not explain the reactions of visitors' wives who stood by while hubby was being chatted-up by the articulate rope splicer.

Problem

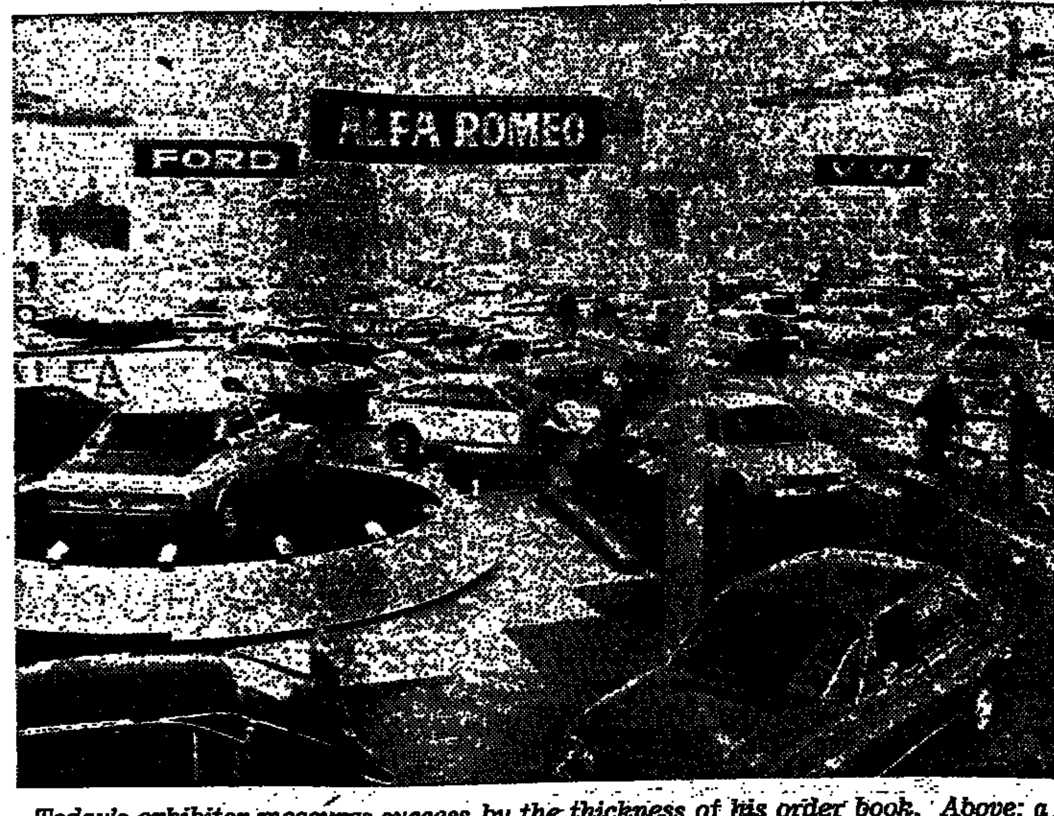
The big problem facing exhibitors, and most companies seem to get involved in exhibitions at some time or another, lies in the problem of balancing the need to put on the sort of display which leaves visitors with a good impression of the company while at the same time is not exorbitantly expensive. Often sheer lack of company involvement is reflected in the display. On these occasions one can almost hear the chairman saying: "Well, Blenkinsop, I suppose we have to be there, but don't waste much time setting it up."

In the foreseeable future it looks as if the Blenkinsops of this world will have to work harder and harder to justify their presence, particularly in the more exotic locations. The exhibition industry went through explosive growth in the '60s when companies were eager for growth and grasped almost every opportunity to show the flag.

With the world economy to say the least sluggish it is unlikely that the days of the blank cheque for the marketing department will return for some time. It may mean fewer of the boozy, girlie exhibitions of yesteryear, but it should mean a more professional approach and a far better return on corporate investment.

Finally, another word of advice from Mr. Fendick: "Never panic. Never lose your temper—it will get you nowhere. A steady, consistent, well-organised exercise produces the best stand, and the best result for your company."

Arthur Sandles



Today's exhibitor measures success by the thickness of his order book. Above: a section of this year's International Motor Show in Geneva. The exhibition programme included private cars, sports and racing cars, coachwork, accessories and servicing

Small events are big business

THE VERY word conference seems to suggest some giant gathering, a bustling glitter of banners and television cameras, personalities and packed galleries. In fact, the great bulk of the world's conference business is in the form of small meetings of people who simply want to find different, or even neutral, ground in order to meet together.

The small business meeting is today's big business. It is a rare hotel which does not boast the facilities for such gatherings. The country inns of Britain, the Michelin-recommended inns of France, the out-of-town motels of America — all are eager to woo local and not-so-local businesses with the advantages of their establishment.

It is a market somewhat different from that of the giant conventions. The smaller location has considerable problems in initial marketing — facilities for 50 people hardly justify a national advertising campaign—but successful surmounting of these hurdles opens the way to a business which has enormous loyalty. Once a group or company is pleased with one establishment's facilities it is going to take a great deal to convince them that they should go elsewhere.

These smaller conventions are much less interested in technological gadgetry than in good food, good surroundings and facilities for getting on with their work in peace. Operations that provide this range from specialist establishments—such as the HTS Management Services' Lane End Management Centre in Buckinghamshire, which is a sort of conference hot shop with no passing tourist trade to bother the delegates—to such oases of discreet charm of the Lythe Hill Hotel, in Surrey, with its timber beams and haute cuisine to flatter the most discriminating directorial palate.

So tempting is the market that British Transport Hotels is currently spending a sizeable sum in a conference centre revamp of its famed Turnberry property on the west coast of Scotland.

Turnberry is fairly typical of the sort of operation which is setting the pace these days—a rural setting, close to an international airport (in this case, Prestwick), and for opportunities for relaxation.

All these, however, are just examples. Many a hotel group booking office or venue agency can provide dozens of others tailor made for particular tasks.

These venue agencies, usually incorporating a wide range of other conference services, are an increasing feature of the small-conference market, and their presence is, to a large extent, due to that problem of bringing what are often single-centre organisations in contact with potential customers.

Some of these venue agencies sprung from being conference organisers, some such as Spectrum, find their origins in hotel booking agencies while others, such as Confac, have arisen because an individual centre has found it has too much traffic to handle by itself and finds there is business in passing on trade to others.

Most small hotels which try to enter the conference business rapidly find that it is not as simple as it sounds, certainly not just a matter of finding a room big enough to seat 30 people. What they discover, of course, is that a conference is an all-day affair and, unlike tourists who disappear after breakfast for their day trips and arrive back in time for dinner, a conference delegate is likely to put demands on services all day long. This means an investment in staff and facilities at which some hotels blanche.

The question of standards also arises when it comes to rooms. Many smaller conference hotels, and indeed some of the larger ones, have found that they need to make a considerable improvement to rooms in order to retain consistent business.

In recent years, a large number of hotels have taken the plunge, both in Britain and abroad, and many a tourist has the conference trade to thank for the improvement of rural accommodation.

Nonetheless, the organiser of a small conference has, if anything, to be more cautious about the property chosen for the event—particularly if, as the meeting is small, the person who chooses the venue probably has to answer to his most senior colleagues for the choice. It is, however, a buyers' market at the moment and, with the amount of information that is available, there is less and less excuse for mistakes.

A.S.

Early planning is vital

IT IS a sign of the times that conference planners are constantly seeking ways of maximising the co-operation and involvement of their delegates. A specialist conference location owner only this week was dropping the poison into my ear that many hoteliers mixed conference delegates and normal customers together in the restaurant without realising the pace at which most conferers are required to eat these days if they are to be back in their seats in time for the afternoon session. There is an increasing awareness that time is money.

In the field of exhibitions there is the added problem of space. The difficulty constantly facing both exhibitors and exhibition centres is that of maximising revenue from the available square footage, while at the same time leaving an impression of easy access and freedom of movement for visitors. It is a balancing act which can sometimes lead either to an unruly crush where those who really matter simply give up and go home—or a daunting, silent desert where any potential buyer is exposed to assault from over-eager sales people.

Planning today is a much more professional business than it was, even a decade ago—and the word professional is used in its literal sense. Increasingly, the administration of conventions is being placed in the hands of specialists. The sheer costs of mounting an event these days means that there is less and less room for mistakes. This has produced a mushrooming of consultancies eager to assist the conference and exhibition planner, a crop of expertise which may offer potential customers relief from conference organisation but, instead, presents the problem of sorting out the consultancy "wheat from the chaff."

The growth of expertise has resulted in what was once a commercial spin-off being very much a business in its own right. Not only is there a range of independent companies eager to assist in the setting up of an event, but also most hotel groups can, if asked, take over the running of a gathering virtually from square one. The industry has long since had its own trade organisation, the Association of Conference Executives (ACE), plus a blossoming collection of trade publications. But the campaign to win more recognition for the expertise involved still goes on apace.

"There is still a tendency in some companies to expect a bunch of executives who have neither scripted nor rehearsed their presentation to fire the enthusiasm of the sales force." says ACE.

Although clearly preaching from the aspect of someone who wants to see more conversions, the ACE view of many conferences, other than corporate ones, is equally scathing. Of many speakers it reckons: "They will all know their subjects and, in the course of informal discussions or seminars, would be fluent about their work. Yet, put them on a stage in front of any audience consisting of the same people with whom they are normally completely at ease, and the chances are that they will go to pieces."

It is a general view that unless you have one of those brilliant off-the-cuff speakers, who dazzle with both words and presence, it is much better if everyone realises their public limitations and sticks to scripts —"It is not a popular method of doing things, especially with amateur speakers who think they are good. But the arguments for scripting and reading presentations are strong."

Ability

The problems come, of course, when somebody has to tell the chairman that he is not all that hot at spontaneous public speaking and that, anyway, he ought to think very carefully in advance about what he is going to say if he is not to upset the unions. I particularly like the ACE suggestion that most people need more than a spotlight and a rostrum if they are going to keep the audience amused. An ACE spokesman adds: "No matter how interesting or accomplished the speaker may be, his voice will become boring if you have to listen to him for 20 minutes or longer."

This brings us to the thorny question of technology and the conference. Any discussion of conference technology today ought to start with a statement of the ground rules. In an enthusiasm for flashing lights, 50-channel simultaneous translation equipment, cord free microphones and Dolbyised sound reproduction, it is easy to forget that probably more important than these for any conference centre is the simple technical ability to serve hot coffee and offer sufficient telephones that work for delegates to call home in the evenings.

That apart — although it is, however, a cry from the heart — it is remarkable how often the most splendid architectural wonders fail in the field of simple technical competence. At some conferences one emerges with the unnerving suspicion that the people who booked the location did not bother to visit it ahead of the event when another function was in progress. Under-powered projection equipment, loudspeakers and microphones, placed in such a way as to provide a constant accompaniement of feedback howls, French halls without converter plugs for UK electrical equipment, and British halls that do not have transformers for American machines—all are problems that pop up from time to time.

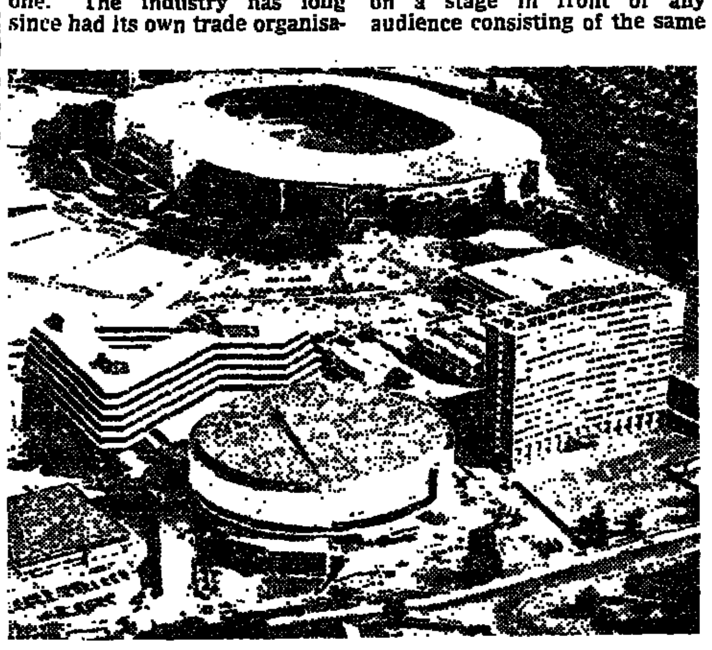
The very abundance of technological aids available today has provoked many conference centres, particularly the smaller ones, into virtual abandonment of the attempt to keep pace. Instead, they have plumped for providing only commonly used basic equipment and offering to arrange rental of more sophisticated services. There are numerous specialist houses which provide packages for both conferences and exhibitions providing anything from simple blackboard and chalk facilities right up to the most imaginative sound and light equipment, even arranging stage shows if necessary.

Again specialist help is useful, if not a necessity. An elaborate set-up using several projectors and good sound equipment could easily cost thousands of pounds rather than hundreds, and production costs for an individual event could cost thousands more. However, I have seen conventions where that cost has been minor when compared with the bill for actually bringing the delegates together—and the rewards, in terms of delegate motivation, have been enormous.

Again to quote ACE: "The effects that can be achieved are staggering and quite in line with the level of ultra-sophistication which you have to expect from your audience, which will be familiar with advanced techniques of visual presentation which they have experienced in their own homes with colour television."

But with all the razzle-dazzle of new equipment, and all the specialist advice to speakers and exhibitors, the basic need in planning any event is that those behind its organisation should have decided on the key objectives of the gathering—and what is the best way of achieving those objectives. It is surprising how many gatherings start with the old joke "... you may be wondering why I called this meeting ..."—and end with those who actually bothered to come along asking the same question, and not joking.

A.S.



The Wembley Conference Centre, London (with Wembley Stadium in the background). The versatile centre is the venue for events ranging from small conferences to a week-long gathering for 2,500

Competition more tough than ever

ALTHOUGH the realisation that conferences are usually good business for a community, the translation of that hope into action is another matter. Slowly, however, the cities of the world have found themselves in increasing competition for the highly lucrative custom of the international conventioner.

The basic problem is that many of the world's major convention and exhibition centres have to be subsidised. And a great many more do not produce —in their own rights—a return which justifies the investment involved. The agony of finding someone willing to pick up the annual loss is an issue which long-delayed the construction of major central conference centres in London, Paris and other cities.

The U.S. was, perhaps, fortunate in that its period of fierce community pride in the 1960s coincided with a time of sizeable economic growth and, thus, that pride was able to express itself in a rash of convention facilities that spread in cities from coast to coast. Whether local taxpayers today would be willing to fund such investments is open to question.

Indeed, community investment in exhibition complexes has slowed considerably over the past few years. The recent opening of West Berlin's facilities provided a rare flash of colour in an otherwise quiet scene.

Few major cities today leave the marketing of their conference centres to the owners of the establishments involved. Usually, communities have tourist committees or convention bureaux. A potential convention customer will be shown not only the venue, but also be given an intensive briefing on what the community, as a whole, offers to visitors. In Salt Lake City, for example, a courteous tour of the now-enlarged convention centre will be followed by explanations of what a clean, wholesome and safe city it is for delegates and perhaps the visitor will even be whisked off to the mountains for some fishing or skiing to show that, after the conference, there are plenty of other activities available.

The increasing co-operation between the various sectors of the travel industry in the promotion of conference facilities is usually more than justified in overall economic terms—the norm for receipts for conference tourism is about 25 per cent of full income. However, this fact is more difficult to achieve—and often it is up to central Government to act as co-ordinator.

Most Government's today are, nevertheless, under considerable pressure to reduce their outgoings. In the U.S., for example, this has produced a substantial cut-back in the activities of the U.S. Travel Service and the throwing of much more of the burden onto individual operations and local communities.

Appeal

What makes the ideal conference city is difficult to define and, anyway, is something of a subjective affair. In many cases, a conference organiser will be using the destination city as a major appeal in the selling of his event. Thus, London, Paris, Berlin, New York and Mexico City have attraction in their own right.

But these major cities have, in some eyes, certain disadvantages. Large cities have sizeable in-built attractions and it is not always easy to keep delegates in their seats when there are competing attractions outside, and not always easy to keep them awake in the mornings when they have been hitting the high life the night before.

The great advantage of most capital cities is good international communications. Without an international gateway airport, a city is at a major disadvantage when comparisons are made.

If, as now seems likely, world economic activity remains somewhat in the doldrums then this is bound to have an impact on international tourist growth. This, in turn, is likely to a thinning-out effect on conference business and make the whole industry even more competitive than it is today. For the residents of some cities, the prospect of fewer conventioners may at first be an appealing one, but many a major conurbation would find the financial burden created by an absence of delegates rather greater than that of attracting them in the first place.

A.S.

WORLD STOCK MARKETS

Dow rallies 4.5 in early trade

WITH SENTIMENT continuing to be helped by investor hopes that a peak in interest rates had been reached, Wall Street took Wednesday's late recovery movement a stage further yesterday morning in another moderate business.

The Dow Jones Industrial Average was 4.53 firmer at 821.08 at 1 pm, while the NYSE All Common Index improved 41 cents to $59.26 and gains exceeded declining issues by a two-to-one margin. A total of 20.58m shares had changed hands by 1 pm, slightly above Wednesday's comparable figure of 20.08m.

Analysts said the market was encouraged by a comment from Federal Reserve Board Governor *Philip E. Coldwell that he does* not expect a severe nationwide credit squeeze to result from new Federal Reserve anti-inflation policies.

They also noted that the absence of a strong negative reaction by OPEC States to the U.S. freeze on Iranian assets contributed to the firmer tone.

Oils improved. Among the actives, **Gulf Oil** put on ⅜ to $34⅜. **Occidental Petroleum** ¼ to $26 and **Exxon** ⅜ to $58⅞. **Southland Royalty** gained 1⅞ to $50¼. **Sedco** 1½ to $49 and **Superior Oil** $8 to $132¼ ex dividend.

Perkin-Elmer advanced 1⅛ to $35⅞ on raising the quarterly dividend. **International Telephone** hardened ½ to $24⅞ after adjusting for an increased quarterly dividend of 60 cents a share, despite reporting a $137m third-quarter loss on Wednesday.

Four Uhase Systems rose $1 to $40½. The company is holding talks to acquire some assets of Inforex. ***McDonnell Douglas***, which is also seeking some Inforex asets, gained ⅜ to $29¼, but Inforex slipped ⅞ to $1⅝ in over-the-counter trading.

Ford Motor declined 1⅛ to $36. It has projected a $1bn loss on North American automotive operations in 1979.

THE AMERICAN SE Market Value Index recouped 2.45 more to 217.67 at 1 pm on volume of 2.64m shares (2.18m).

Sundance Oil rose 2½ to $44½ despite reporting a third-quarter loss.

Volume leader **Anglo "A"** fell 2⅛ to $16. It has predicted a 10 per cent fall in 1980 profits.

Closing prices and market reports were not available for this edition.

Canada

The Oil and Gas sector led a general advance in active early dealings yesterday. The Toronto Composite Index gained 8.0 to 1,631.9 at noon, while the Oil and Gas index moved ahead 49.5 to 3,453.7 and Metals and Minerals put on 6.0 to 1,418.9.

Tokyo

The market mainly retreated, led by Oils, Trading Houses and some export-orientated issues, following increased tension between the U.S. and Iran.

The Nikkei-Dow Jones Average declined 41.54 to 6,372.57 and the Tokyo SE index lost 1.76 to 443.72, while falls outscored rises on the First Market section by 365 to 211. There was a moderate turnover of 290m shares, against Wednesday's 320m.

Mitsui, which has invested in a joint petrochemical project in Iran, fell Y21 to Y387. A broker said that the main reason for the Mitsui fall was that investors were worried that construction of petrochemical plants in Iran might be suspended and the related equipment there be taken over by the Iranian Government following the U.S. freezing of Iranian assets. Construction of the plants in Iran has been promoted by Japan's Mitsui Group. Other Trading Houses lost ground in sympathy, **Marubeni** dipping Y11 to Y485.

Arabian Oil receded Y210 to Y3,990 and **Teikoku Oil** Y20 to Y1,120, while among export-related shares, **Toyota Motor** declined Y10 to Y810, **Sony** Y20 to Y1,670 and **Pioneer Electronic** Y30 to Y1,880.

Steels, however, rose afresh on good first-half results, with **Nippon Steel** adding Y3 at Y111, **Kawasaki Steel** Y4 at Y108 and **Kobe Steel** Y3 at Y100.

Shipping Lines continued to rise initially on good earnings prospects, but slipped back towards the close as buying spent its force.

Paris

Bargain hunting following the market's recent weakening trend helped most share prices to harden in light volume.

Brokers said investors remained apprehensive over developments involving Iran and the U.S., but the steadier overnight Wall Street tone was an encouraging sign, they added.

Chemicals provided the firmest sector, but Metals and Transportation issues generally weakened against the trend.

The day's strongest issue was the pharmaceutical concern **Institut Merieux**, which closed 11 per cent higher after having been suspended at one point due to a lack of selling orders. **Nobel-Buzel** gained 10 per cent, while **Bouygues**, in Constructions, climbed FFr 23 to FFr 539. **Aquitaine**, in Oils, put on FFr 25 to FFr 1,150.

Germany

Shares tended to pick up a little in further quiet trading on bargain hunting by large investors.

Among Machine Manufacturers, **GHH** put on DM 2.50 and **Linde** DM 2, but **MAN** shed DM 2. **Karstadt**, in Stores, hardened DM 1, while **Thussen**, in Steels, gained DM 1.50 and **Varta**, in Electricals, DM 4.

Public Authority Loans sustained falls extending to 95 pfennigs, and the Regulating Authorities bought a nominal DM 3m of paper after sales of DM 7.1m the previous day. Mark-denominated Foreign Loans were mixed, but with Iran issues weak.

Johannesburg

Zimbabwe Rhodesian stocks advanced in fairly active trading following the acceptance of British independence proposals. Copper shares **Messina** and **Manguia** gained 17 and 15 cents respectively to R2.92 and R2.70, while Coal issu **Waukie CSollery** put on 9 cents to R1.70.

Golds were generally easier in fairly quiet trading, but Mining HFinancials were firmer in places. Industrials mainly continued to strengthen, but **Barlow Rand** receded 15 cents to R7.90.

Australia

Stock prices mostly retreated on fears of a rise in Australian interest rates and a reduced flow of overseas funds into Australia. The Sydney All Ordinaries index, which reached a new all-time peak of 699.92 last Friday, yesterday declined 6.62 to 692.84.

Market leader **BHP** relinquished 21 cents to A$9.84, while **CSR** lost 12 cents to A$4.40 and **National Bank** 7 cents to A$2.70. In contrast, **Clarke Rubber** rose 13 cents to A$1.45 on light turnover.

Among Oils, **Woodside Petroleum** reacted 14 cents to A$1.75, but **AOG** put on 3 cents to A$1.01.

Cooper Basin gas producer **Santos** shed 10 cents to A$6.40.

Reports that National Mutual and the Commonwealth Bank Superannuation Fund, the two largest shareholders in **B. H. South**, were opposed to the division of the company's assets between **CRA** and **Western Mining** saw South shed 7 cents to A$3.63.

Western Mining lost 10 cents to A$3.20 and **CRA** 5 cents to A$3.60, while elsewhere in Minings, **Bougainville** declined 6 cents to A$2.15 and **North Broken Hill** 15 cents to A$2.65.

Hong Kong

After Wednesday's upsurge on strong local speculative buying which took the Hang Seng index to its highest level since June, 1973, the market slipped back yesterday as operators took profits on "overbought" positions. The Hang Seng index, up 19½ points the previous day, receded 7.68 to 736.77.

Indices

NEW YORK—DOW JONES

	Nov. 14	Nov. 13	Nov. 12	Nov. 9	Nov. 8	Nov. 7	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	816.56	814.08	821.93	806.48	797.61	796.67	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	75.93	75.89	76.03	75.53	75.44	75.78	88.10 (15/8)	75.44 (8/11)	—	—
Transport.	257.75	256.75	255.35	252.86	250.25	228.96	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	101.45	100.85	100.10	99.19	98.61	98.51	109.61 (23/8)	98.24 (24/10)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	31,120	29,480	28,890	30,180	28,350	38,830	—	—	—	—

◆Day's high 823.04 low 805.03

	Nov. 9	Nov. 2	Oct. 26	Year ago (approx)
Ind. div. yield %	6.28	6.11	6.16	5.90

STANDARD AND POORS

	Nov. 14	Nov. 13	Nov. 12	Nov. 9	Nov. 8	Nov. 7	1979 High	1979 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	115.90	115.54	116.12	113.72	112.56	111.88	124.49 (15/10)	107.08 (27/2)	134.94 (11/1/73)	3.52 (30/6/32)
§Composite	103.39	102.94	103.51	101.51	100.50	99.87	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Nov. 7	Oct. 31	Oct. 24	Year ago (approx)
Ind. div. yield %	5.56	5.42	5.46	5.16
Ind. P/E Ratio	7.42	7.57	7.46	8.81
Long Gov. Bond Yield	10.59	10.28	10.30	8.76

N.Y.S.E. ALL COMMON

Nov. 14	Nov. 13	Nov. 12	Nov. 9	1979 High	1979 Low
58.85	58.69	58.82	57.74	62.88 (21/9)	53.88 (27/3)

Rises and Falls

	Nov. 14	Nov. 13	Nov. 12
Issues Traded	1,884	1,878	1,861
Rises	826	684	1,156
Falls	613	776	370
Unchanged	446	418	335
New Highs	36	38	32
New Lows	63	54	57

MONTREAL

	Nov. 14	Nov. 13	Nov. 12	Nov. 9	1979 High	1979 Low
Industrial	301.67	300.39	298.94	294.31	332.12 (5/10)	219.19 (2/1)
Combined	285.39	284.31	283.07	279.07	314.33 (5/10)	225.80 (2/1)
TORONTO Composite	1625.9	1619.1	1612.8	1583.0	1604.71 (5/10)	1315.8 (2/1)

	Nov. 15	Nov. 14	Nov. 13	Nov. 12	1979 High	1979 Low
AUSTRALIA						
Sydney All Ord. (1936/38)	692.84	699.86	699.67	698.71	699.92 (9/11)	546.72 (2/1)
Metals & Minls (1938/38)	3911.06	3979.09	3977.90	3990.29	4031.58 (2/11)	2587.34 (2/1)
AUSTRIA						
Credit Aktien (2/1/62)	65.85	65.76	65.88	66.05	66.35 (5/11)	61.53 (2/8)
BELGIUM						
Belgian SE (31/12/63)	101.03	100.15	100.70	100.58	109.47 (5/10)	99.80 (3/1)
DENMARK						
Copenhagen SE (1/1/73)	89.65	90.05	90.45	90.55	97.46 (25/7)	88.32 (9/1)
FRANCE						
CAC General (29/12/61)	98.10	98.60	98.90	98.80	113.10 (5/10)	82.40 (16/2)
Ind Tendance (29/12/78)	106.60	105.80	106.40	106.00	122.8 (4/10)	82.70 (22/2)
GERMANY						
FAZ-Aktien (31/12/58)	224.57	224.31	225.66	224.05	255.60 (16/1)	223.76 (7/11)
Commerzbank(Dec.1953)	706.10	706.5	710.20	705.00	839.60 (16/1)	704.50 (7/11)
HOLLAND						
ANP-CBS General (1970)	85.40	84.5	85.90	85.20	94.20 (24/1)	83.40 (7/11)
ANP-CBS Indust. (1970)	69.20	69.0	68.90	68.50	85.90 (24/1)	68.90 (7/11)
HONG KONG						
Hang Seng Bank(31/7/64)	736.77	744.45	724.95	715.86	744.45 (14/11)	493.85 (2/1)
ITALY						
Banca Comm. Ital (1972)	83.29	83.25	84.65	85.15	83.85 (4/10)	68.38 (2/1)
JAPAN						
Dow Average (16/5/49)	6372.57	6414.11	6401.75	6414.62	6590.69 (29/9)	5925.87 (10/4)
Tokyo New SE (4/1/68)	443.72	445.48	445.28	446.14	465.24 (29/9)	435.13 (13/7)
NORWAY						
Oslo SE (1/1/72)	161.74	151.60	134.62	133.04	134.62 (13/11)	74.48 (16/1)
SINGAPORE						
Straits Times (1966)	401.29	402.54	400.65	400.30	423.55 (5/10)	346.34 (25/2)
SOUTH AFRICA						
Gold (1958)	(u)	429.8	425.6	425.9	429.8 (14/11)	228.40 (17/4)
Industrial (1958)	(u)	424.2	416.1	413.4	424.2 (14/11)	270.50 (2/1)
SPAIN						
Madrid SE (29/12/78)	82.97	83.41	83.31	(c)	111.86 (9/5)	82.97 (15/11)
SWEDEN						
Jacobson & P. (1/1/58)	354.84	354.50	348.84	340.60	401.34 (6/2)	331.57 (24/9)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	301.90	302.1	303.70	305.10	329.10 (2/5)	294.09 (3/1)

Base values of all indices are 100 except NYSE All Common—50: Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
U.S. Steel	806,300	18⅝	−⅛	Amerada Hess	312,400	41⅛	+1⅛
Occidental Ptrlm.	430,800	25⅞	+⅜	Avco	299,300	27	+2⅛
IBM	389,200	62½	+¼	Gulf Oil	246,800	34	+¼
Dow Chemical	363,000	30⅞	—	Amer. Express	241,300	28⅛	−⅛
Bally Mfg.	345,000	32¼	+⅞	Pepsico	240,200	24⅞	−⅛

Financial Rand U.S.$0.77½ (Discount of 35½%)

Brazil and Spain Prices: Page 29

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

U.S. sells more wheat to Russia

WASHINGTON — The U.S. Department of Agriculture has announced another sale of wheat to the Soviet Union. The 101,600 tonnes sale is for delivery in the marketing year ending May, 1980. It brings total Soviet purchases for the fourth year of the current U.S.-Soviet grain agreement to 4.1m tonnes.

World grain production, including milled rice, is forecast at 1.383bn tonnes. This is up from the October estimate of 1.382bn tonnes, but 1 per cent below last year's record output, the U.S. Department of Agriculture (USDA) said.

Increases in grain production in the U.S., Canada, Australia, Western and Eastern Europe contributed to the rise from the October estimate.

World stocks of grain at the end of the 1979-80 year should be 195m tonnes, up 6m tonnes from the last forecast, but well below the 226m tonnes at the end of the 1978-79 year, USDA said.

World coarse grain output in 1979-80 should be 735m tonnes, nearly 56m tonnes above the October forecast, but 2 per cent down from last season, said USDA.

Coarse grain imports to the USSR, Japan, Europe, and a number of developing nations, such as Mexico, Venezuela and South Korea, will increase in 1979-80, but imports to China and Brazil will drop, it said.

Coarse grain exports by the U.S., Canada and East Europe will increase in 1979/80 while declines are seen for Argentina, South Africa and Western Europe.

World rice output in 1979/80 is estimated at slightly more than 373m tonnes, largely unchanged from October and about 3 per cent below last season's record.

U.S. rice exports for the first season were about 20 per cent below the level in the same period last year. There was continued buyer resistance to the current high level of world rice prices, USDA said.

● Pakistan had a record wheat crop this year of 10m tonnes, up from 8.3m tonnes last year Pakistan agriculture minister, M. F. Janjua said. This will allow wheat imports during 1979-80 to be reduced to about 1 million tonnes from 2.2m previously.

Agencies

Cold spell lifts demand for eggs

BY OUR COMMODITIES STAFF

THE RETAIL prices of eggs will rise by up to 5p a dozen next week because of stronger demand during the colder weather and the seasonal increase in home baking in readiness for Christmas.

Goldenlay, the country's biggest egg production and marketing consortium, said the larger eggs, size 1 and 2, would go up by 2p a dozen, grades 3 and 4 by 4p and grade 5 by 5p. The smallest eggs, size 6, would be 3p dearer.

The increases are the first for several months, and possibly represent a turning point in the fortunes of the egg industry.

Egg farmers are said to have been losing money for 18 months because of over-supply. They consistently ignored warnings last year that they were buying too many chicks for their layin ghouses.

Earlier this year chick placings began to fall, and there were hopes that prices would begin to climb again during September as the egg glut eased.

However, farmers boosted output from their birds by "forced moulting" which considerably reduces the length of unproductive periods in the birds' life, and price increases failed to materialise.

A week ago, the British Egg Association warned that flocks of layers had to be reduced to cut egg supplies and restore profits.

The relatively large increases in prices of smaller eggs—those from younger birds—indicates the average age of the nation's layer flock is increasing.

Provided farmers do not respond to the higher prices as they have in the past, by increasing their chick placings, there are grounds to expect that returns may increase further.

But there are still dangers that the British market may be undermined by imports. Although most EEC countries have reduced their chick placings this year, Holland has gone against the trend and boosted its national flock considerably.

Sugar quota doubts

BY OUR COMMODITIES STAFF

THERE IS no likelihood that the EEC Commission's proposal to cut sugar production quotas by 10 per cent will be implemented, Mr. John Beckett, chief executive of the British Sugar Corporation, said in London yesterday.

None of the Common Market's member countries welcomes the proposal, he told a Press conference. No decision on the question is likely before February or March.

Current world stocks are equal to about four months' consumption, he said. This compares with a normal stock level of three months' consumption.

He expected the effective surplus of one months' supply of disappear next year.

On the London futures market, March delivery raw sugar declined £0.975 to £183.875 a tonne. Prices moved higher initially continuing Wednesday night's after-hours rise and the March position rose to £189 a tonne at one stage. But values eased later reflecting the strength of sterling following the 3 per cent rise in the UK minimum lending rate.

In the morning the London daily raw sugar price was fixed unchanged at £162 a tonne.

At its meeting in London yesterday the International Sugar Organisation's statistics committee estimated the world sugar export quota in 1980 at 13.08m tonnes.

This is an estimate of demand available to exporting members on the free market after deductions from total import requirements to allow for exports over which the Organisation has no control.

Meanwhile, in Ratzeburg, F. O. Licht, sugar statistician, said weather in most west, central and north European countries was unfavourable in the past week for the lifting and transportation of sugar beet.

In his weekly crop report, Licht said the poor weather may also have affected the sugar content of beets still in the soil.

In East Europe, the weather was warmer than last week, which may have resulted in losses to those beets lying in the fields, particularly in the Soviet Union and Poland, which were frozen the week before.

MLR rise depresses markets

By Our Commodities Editor

THE RISE in the UK minimum lending rate, and expectations it would bring an increase in the value of sterling, depressed London metal and commodity markets yesterday.

There was a general decline in prices when the higher than expected minimum lending rate of 17 per cent was announced.

Tin and lead prices showed the biggest falls on the Metal Exchange. However, copper was held up by reports, later confirmed, that the New York market (Comex) was restricting trading in the December position to avoid a squeeze on supplies developing.

On the "soft" (non-metal) markets spot rubber No. 1 RSS was cut by 2p to 64p a kilo. Cocoa prices fell again, with the March position dipping by £25 to a new life of contract low at £1,417.5 a tonne. World sugar prices, after opening strongly, lost all the early gains and closed nearly £1 lower. But coffee resisted the downward trend

China boosts farm spending

ROME — China was investing $11.4bn to boost its agriculture this year, Xing Chong-Zhi, the Chinese Vice-Minister for Agriculture, said.

Mr. Xing, speaking at the general conference of the 146-nation UN Food and Agriculture Organisation (FAO), said that China had increased its investment in agriculture from 10.7 per cent of total investment last year to 14 per cent this year.

The financial boost to agriculture was in line with the new policy of "readjusting, restructuring, consolidating and improving" the national economy, Mr. Xing said.

Reuter

Sudan buys Bangladesh jute

By Our Own Correspondent

THE SUDAN Government has signed a $15m contract for the import of jute from Bangladesh. The contract will be financed by the Jedda-based Islamic Bank for Development and the first consignment is due at Port Sudan next month.

FRENCH LAMB BAN

UK campaign may backfire

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE RATHER strident fuss that Mr. Peter Walker has been making over France's refusal to obey the European Court's ruling on lamb could well be counterproductive. Britain is either in the dock or soon will be over several issues.

Take milk, for instance. A large French co-operative, Union Laitière Normande, backed by Irish dairy interests, is attempting to land liquid milk in southern England for sale in supermarkets.

The milk is ulta-heat-treated "long life" milk, and the price could well be a penny or two cheaper per pint than doorstep delivery. So seriously does the dairy trade take this threat that its spokesmen claim it could wipe out the traditional doorstep delivery. This, it is argued, would probably cause an overall reduction in liquid milk consumption which in turn could divert more milk to the manufacture of surplus butter and skimmed milk.

EEC milk is kept out of Britain at the moment by two rather dubious barriers. The milk would be in metric packs, and until January 1 next sales in metric packs are illegal, but only until then. The second line of defence is on the grounds of hygiene. Unless milk sold on the British market has been processed in dairies licensed by a local authority, it does not conform to regulations.

UHT milk is in all respects sterile, and there is no suggestion that the European or Irish processing plants are inefficient. Should the European Court, to which the case has been put, take a reasonable man's view of the issue and rule that this milk should not be barred, what will Mr. Walker say then?

This is not the only problem that Mr. Walker is likely to face in the near future. After a period in the doldrums pigmeat prices are showing a healthy jump, in fact they are standing now at slightly higher levels than those in Holland and Denmark. The threat facing UK producers is imports of fresh pork from Holland, which at present are kept out by health regulations relating to swine fever. But these regulations may well be wiped out soon.

Because of changes in the European monetary scene, the EEC export subsidies on pork to the UK are now £83 a tonne from Denmark and £98 from Holland; a powerful inducement to export to Britain. Will Mr. Walker resist a claim that these health restrictions should be removed absolutely, and allow free trade? Even if he devalues the Green £, the threat would remain.

There is also a little local difficulty which seems to be arising over sugar. To reduce the Community surplus the Commission has proposed a reduction in the quota for each country. Under the formula, British growers could suffer a loss of roughly 50,000 tonnes, or 5 per cent in their "A" quota, which receives the full guaranteed minimum price. How is Mr. Walker going to react to this one? Will he just use his veto to block the proposal for ever and so add to the cost of the sugar regime? Or will he toe the line in the interests of European unity?

Then there is the latest proposal of an increase in the milk co-responsibility levy to 2½ per cent, which would severely effect Britain. Will Mr. Walker stand up against this?

All these quotas are of vital concern to different sections of British farming. If the Europeans get their way, some of these sectors could suffer grievous damage. This could happen even if the Green £ were to be devalued completely. It is not just a question of price equality. Britain has what could be termed a fairly marginal climate and soil as compared with much of Europe.

French support for their sheep farmers is based on the need to sustain a section of the rural population which has no alternative means of support. While acknowledging this, Mr. Walker suggests that the French should pay any support from national funds. This is exactly what John Silkin did for pigs some years ago. But in the end, he had to give way under pressure from Brussels.

By demanding unlimited access to the French sheep market, Mr. Walker is inviting similar treatment in return for other products. I cannot see how, if he sustains his present attitude, he will be able to present a valid argument to prevent the swamping of the British liquid milk market in the name of European unity.

I have never believed the Common Agricultural Policy could possibly work if it disregarded important sectoral interests in member countries. Until more responsibility is returned to national governments, it will almost certainly fail.

EEC grain price warning

BY CHRISTOPHER PARKES

THE EUROPEAN Community faces growing surpluses of grain, a slower rate of price increases and even the prospect of world cereal prices rising above those in the EEC, British farmers were warned yesterday.

"There is likely to be an increasing surplus of cereals within the EEC, and this will tend to slow the rate at which grain prices have been increasing," Dr. Robert Bruce, general manager (agriculture) of the Midland Bank, told a conference at Wye College, Kent.

It was doubtful that growers could expect prices to increase as rapidly as costs, he said.

Mr. James Parker, assistant agricultural attaché at the U.S. Embassy in London, summed up the likely impact on Britain of a combination of stagnant demand for grain and livestock products produced from cereals, steadily increasing yields, and political and economic influences on prices.

"The most likely result is intervention-level prices as the rule, rather than the exception," he said.

"World grain prices, subject as they are to a steady growth in annual demand and increasingly precarious balances, may eventually overtake EEC grain prices, which look to be under constant pressures," Mr. Parker warned.

"In other words, the world market may once again determine EEC grain prices."

The balance between world supply and demand for grain, while apparently "comfortable" at present, was in truth much more critically precarious than in the 1960s and early 1970s.

Logistical bottlenecks were preventing grain from reaching markets. World trade in grain had increased nearly three-fold since the early 1960s to more than 190m tonnes this season.

"With trade at this volume the world's transportation and storage capacities are being put to the test for the first time," he said. Export systems in the main exporting countries had already showed signs of stress.

The U.S. had been affected by shortage of transport and labour problems. Storage in Argentina was inadequate, and in Australia and Canada "port storage facilities barely suffice for current trade levels."

Apple 'scandal'

AN MP protested yesterday at the "public scandal" of British farmers being paid from EEC funds to dump fruit.

Mr. Peter Walker, Minister of Agriculture, is to be pressed in Parliament to end this "criminal waste" of more than 2,500 tonnes of apples and pears so far.

Mr. Tom Torney, vice-chairman of Labour's food and agriculture committee, has tabled a Commons question to Mr. Walker demanding Government action.

Food aid pledge

ROME—Canada supports the World Food Programme (WFP) $1bn food aid target for 1980-81, and will provide 600,000 tonnes of grain each year under a new food aid convention, Mr. John Wise, Canadian Agriculture Minister, said here.

Canada is willing to negotiate a food aid convention separately from a wheat trade agreement, Reuter

BRITISH COMMODITY MARKETS

COPPER—Erratic on the London Metal Exchange. After opening at £985 forward metal fell sharply to £975 on rumours that Comex may restrict dealings in December contracts. The market then rallied, but came under renewed selling pressure on news of the rise in MLR, which also caused the contango to widen. Prices moved erratically in the afternoon reflecting the wild movements on Comex which confirmed the restrictions on December trading. Strong buying lifted forward metal to £991 before a close on the late kerb of £988. Turnover: 33,450 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	976-7	—11½	979.5-80	—1.75
months	980-1	—11	988.5-9	+.25
Settlem't	977	—11	—	......
Cathodes				
Cash	950-1	—16	956-60	—4
months	960-1	—12.5	967-70	—5
Settlem't	951	—16	—	......
U.S. Prod	—	......	*98-101	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £976, three months £981, 82, 80, 79, 78, 77, 75, 74, 76, 77, 78, 79, 80, 82, 81. Cathodes, cash £953, 52, 51, three months £961. Kerb: Wirebars three months £976, 77, 77.5, 77. Afternoon: Wirebars, cash £978, 79, 80, three months £985, 86, 87, 88, 87.5, 88, 89, 88, 87, 88, 89, 88, 88.5, 89, 88.5. Kerb: Wirebars, three months £990, 91, 90, 89, 88, 89, 88.5, 88, 89, 89.5, 88.

TIN—Lost ground following the rise in MLR. Forward metal opened at £7,400, but the firmnes of sterling, the rise in interest rates and hedge selling depressed the price to £7,310, before a close on the late kerb of £7,350. Turnover: 890 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7540-50	—60	7510-30	—90
3 months	7395-410	—17.5	7360-70	—80
Settlem't	7550	—60	—	......
Standard				
Cash	7540-50	—60	7510-30	—90
3 months	7390-400	—17.5	7360-70	—7.25
Settlem't	7550	—60	—	......
Straits. E.	‡$2051	+1	—	......
NewYork	—	......		......

Morning: Standard, cash £7,550, 40, three months £7,410, 05, 7,400, 7,390. Kerb: Standard, three months £7,390. Afternoon: Standard, three months £7,370. Kerb: Standard, three months £7,370, 50, 10, 30, 50.

LEAD—Lower following trade selling, higher interest rates and the firmness of sterling which more than offset East European interest and forecasts of a sizeable fall in warehouse stocks. Forward opened at £581 and fell away to close the late kerb at £565.5 after touching £563. Turnover 9,075 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	584-5	—11	580-2	—12
3 months	573-.5	—5.25	567.5-8.5	—10
S'ment	585	—11	—	......
U.S. Spot	—	......	*57-63	......

Morning: Cash £586, 85, three months £576, 77, 76, 75, 76, 77, 75, 74, 73, 74, 75, 74, 73. Kerb: Three months £571, 72, 71, 70. Afternoon: Three months £573, 72, 69, 70, 67, 68, 67. Kerb: Three months £568, 65, 64, 63, 65, 64, 67, 66, 65, 66.

ZINC—Easier in line with other metals. Forward metal fell from £330 on the early pre-market to the day's low of £325 before rallying to close the late kerb at £328.5. Turnover: 7,775 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
	£	£	£	£
Cash	315-6	—10	317-9	—4.5
3 months	325.5-6	—9.75	327-9	—4.5
S'ment	316	—10	—	......
Prim w'st	—	......	*35-37.5	......

Morning: Three months £326, 24, 25, 26, 25.5, 26, 27, 25, 25.5. Kerb: Three months £325, 25.5. Afternoon: Three months £324, 25, 26. Kerb: Three months £325, 27, 28, 29.

ALUMINIUM—Barely changed on balance. Forward metal opened at £799 and held around that level on rumours of problems at Alcan. However, the rise in MLR and sterling depressed the price to £789. In the afternoon further selling took forward metal down to £786, but a strong rally developed on the late kerb and this saw the price recover to £798 at the close. Turnover: 4,900 tonnes.

Alumn'm	a.m. Official	+ or —	p.m. Unofficl'l	† + or —
	£	£	£	£
Spot	845-55	+5	845-55	+5
3 months	790-1	—1.5	785-7	—12

Morning: Three months £791, 90, 89. Kerb: Three months £791. Afternoon: Three months £792, 93, 89, 86. Kerb: Three months £790, 89, 90, 92, 95, 96, 98.

NICKEL—Moved narrowly in quiet trading before closing the late kerb at £2,780. Turnover: 336 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
Spot	2730-40	—10	2700-20	—52.5
3 months	2790-800	—5	2770-80	—30

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Cash £2,740, three months £2,790. Kerb: Three months £2,800. Afternoon: Three months £2,780. Kerb: Three months £2770, 85, 80.

SILVER

Silver was fixed 0.5p an ounce lower for spot delivery in the London bullion market yesterday at 761.20p. U.S. cent equivalents of the fixing levels were: spot 1,610c, up 4.0c; three-month 1,647.4c, up 3.4c; six-month 1,679.8c, up 5.1c; and 12-month 1,733.9c, up 3.4c. The metal opened at 762-767p (1,605-1,615c) and closed at 743-748p (1,595-1,605c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	761.20p	—0.5	749.0p	—15.5
3 months	780.20p	—1.3	769.0p	—20.5
6 months	798.40p	+0.4	—	......
12months	830.40p	+0.4	—	......

LME—Turnover 197 (193) lots of 10,000 ozs. Morning: Three months 780, 75, 74, 75. Kerb: Untraded. Afternoon: Three months 769, 68, 67, 68. Kerb: Three months 767, 68, 67, 66, 67.

CORAL INDEX: Close 406-411 (unchanged)

INSURANCE BASE RATES

† Property Growth 13¼%

† Vanbrugh Guaranteed 14¼%

† Address shown under Insurance and Property Bond Table.

COCOA

Futures were initially unchanged, but eased sharply on news of record MLR adjustment and closed at the lows of the day. Physicals again failed to attract interest from producers or consumers with the possible exception of near position cocoa products, reported Gill and Duffus.

COCOA	Yesterd'y's Close	+ or —	Business Done
Dec	1404-1405	—21.0	1429-14
March	1417-1418	—25.0	1444-15
May	1424-1425	—29.0	1453-20
July	1443-1445	—30.0	1468-40
Sep	1458-1459	—32.0	1475-57
Dec	1474-1475	—33.0	1495-75
March	1480-1510	—35.0	—

Sales: 7,936 (3,557) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Nov. 14 133.71 (137.17). Indicator price Nov. 15: 15-day average 131.61 (131.69); 22-day average 132.86 (133.09).

COFFEE

After opening slightly lower Robustas rallied sharply on short covering and buying from one quarter. Nearby positions were stronger, possibly influenced by reported large physical transactions. Steadiness in currency and renewed selling prompted a £10-£15 fall before values consolidated in a narrow range until the closing call when it mixed dealings prices finished £24 lower to £8 higher, reported Drexel, Burnham, Lambert.

COFFEE	Yesterdays Close (£ per tonne)	+ or —	Business Done
November	1850-51	+8.0	1875-35
January	1880-81	+6.0	1904-64
March	1768-69	—19.5	1793-57
May	1732-34	—11.5	1758-37
July	1720-23	—17.0	1745-19
Sept	1710-15	—15.5	1724-23
November	1682-10	—24.0	—

Sales: 5,168 (4,448) lots of 5 tonnes.

ICS indicator prices for November 14 (cents per pound): Other Mild Arabicas 206.17 (208.50), Robustas ICA 1976 178.00 (179.00). ICA 1968 178.25 (179.25). Unwashed Arabicas 215.00 (same). Comp. daily ICA 1968 200.86 (201.75).

GRAINS

LONDON GRAIN FUTURES—Grains opened 10p down on wheat and 20p down of barley. Values eased on country selling and some stops were hit. Around 50p lower on wheat buying interest from commercial sources rallied the market. Barley values dipped at one stage up to 75 points down. By the close, despite stop-loss and country selling, aggressive shipper buying closed the market on barley between 20-40 points lower while wheat closed 30-65 points lower, reported Acli.

	WHEAT		BARLEY	
M'nth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
Nov	94.25	—0.5	91.40	—0.25
Jan	97.40	—0.85	94.55	—0.40
Mar	101.90	—0.35	99.00	—0.20
May	105.60	—0.30	102.65	—0.20
Sept	98.45	—0.05	95.50	+0.25

Business done—Wheat: Nov. 94.30-94.20, Jan. 97.75-97.35, March 102.05-101.75, May 105.70-105.50, Sept. 98.40-98.40. Sales 319 lots of 100 tonnes. Barley: Nov. 91.45-91.10, Jan. 94.70-94.20, March 99.00-98.60, May 102.65-102.10, Sept. 95.50-95.25. Sales 604 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Nov. 108.50, Dec. 111.00, Jan. 113.50 transhipment east coast. U.S. Hard Winter 13½ per cent Jan. 111.50 transhipment east coast. EEC unquoted. Maize: U.S./French Nov. 116.75, Dec. 117.75 transhipment east coast. South African White unquoted. South African Yellow Dec./Jan. 79.25. Barley: English Feed fob Nov. 95.50, Dec. 97.00, Jan./March 102.00 transhipment east coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

RUBBER

The London physical market opened unchanged, with fair interest at lower levels, closing on an easier note. Lewis and Peat reported a Malaysian godown price of 292 (289) (same) cents a kg (buyer, December).

Physical closing prices (buyer) were: Spot 64.00p (66.00p); Dec. 66.00p (67.00p), Jan. 66.50p (67.50p).

SOYABEAN MEAL

The market opened slightly steadier on follow-through buying from Wednesday, reported T. G. Roddick. Prices firmed in early trading on Commission House buying but fell sharply following the rise in MLR and subsequent strong sterling. Light short covering steadied prices at the close and the market finished with losses of up to £1.00.

	Yest'rd'y Close (£ per tonne)	+ or —	Business Done
December	123.00-23.4	—0.60	124.50-23.40
February	125.30-25.5	—0.35	126.90-25.10
April	126.00-26.1	—0.85	127.40-25.80
June	127.00-27.1	—0.50	127.90
August	127.00-28.5	—0.75	—

Sales: 138 (98) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £162.00 (same) a tonne cif for Nov.-Dec. shipments. White sugar daily price was £189.50 (same).

The market opened some £1.50 to £2.00 above kerb levels but later following the improvement of the sterling/dollar parity after the large rise in UK interest rates prices fell heavily with losses of up to £5.00 being recorded. However, good support was uncovered at the lower levels and prices had recovered some £1.00 by the close, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Dec.	179.80-79.50	180.00-82.00	184.00-79.00
March	185.75-84.00	184.80-84.90	189.00-83.25
May	183.50-83.75	184.80-84.00	188.35-83.00
Aug.	182.50-82.50	185.50-84.00	187.00-82.75
Oct.	192.30-82.40	185.50-84.00	186.50-81.50

Sales: 7,401 (8,128) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). May 182.00, 182.50; Aug. 181.00, 181.75; Oct. 180.00, 181.50; Jan. 180.00, 180.50; March 181.00, 181.95; May 180.50, 182.00. Sales: 1,098.

LONDON WHITE SUGAR—Closed (in order, buyer, seller, business, sales). Feb. 185.00, 190.50, 192.00-191.00, 12; April 190.00, 192.00, 194.00-192.00, 40; July 192.0, 194.0, nil, nil; Sept. 194.00, 197.00, nil, nil; Nov. 194.00, 200.00, nil, nil; Feb. 198.00, 205.00, nil, nil; April 200.00 208.00, nil, nil. Sales: 52.

Tate and Lyle ex-refinery price for granulated basis white sugar was £304.95 (same) a tonne for home trade and £255.00 (£251.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for November 14. Daily price 14.00 (13.81); 15-day average 13.16 (13.05).

WOOL FUTURES

LONDON GREASY WOOL—Close (in order: buyer, seller only). Dec. 218.0, 238.0; March, May, July, Oct., Dec., March 232.0, 242.0. NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business, sales): Dec. 210.0, 220.0, nil, nil; March 215.0, 220.0, nil, nil; May 215.0, 222.0, 218.0, 8; July, Oct., Dec., March 215.0, 222.0.

BRADFORD WOOL MARKET—Minor alterations in top quotations with no effects on the basic market picture—business and inquiry on a low-price basis related to low rates of machinery activity. Expectations of record British interest rates have also been a depressant.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Micron contract: Dec. 431.5, 432.0, 432.5-431.0, 55; March 458.0, 457.0, 458.0-455.3, 61; May 467.5, 468.0, 470.0-466.5, 97; July 477.0, 477.5, 477.5-473.5, 90; Oct. 477.5, 478.0, 478.0-476.0, 52; Dec. 476.0, 476.5, 476.5-474.0, 42; March 476.0, 477.5, 478.0-477.0, 25; May 481.5, 482.0, 482.0-481.5, 9. Sales: 431.

PRICE CHANGES

In tonnes unless otherwise stated.

	Nov. 15 1979	+ or —	Month ago
Metals			
Aluminium	£760/70	....	£750/60
Free Mkt (es)	$1705/1740	—2.5	$1650/70
Copper			
Cash w'bar	£979.75	—1.75	£915
3 mths	£988.75	—0.25	£927.5
Cash Cathode	£958	—4	£910
3 mths	£98.5	—0.5	£912
Gold troy oz	$384	—6.5	$383.5
Lead cash	£581	—12	£619
3 mths	£568	—10	£609.5
Nickel	£3,185.22	....	£3,060.62
Freemkt(cif (lb	260/280c	—5	255/280c
Platin'mtr'y oz	£185.5	....	£181.0
Free mkt	£224.90	—10.85	£225.60
Quicksil'ver	$330/360	+5	$320/330
Silver troy oz	761.20p	—0.5	754.50p
3 months	780.20p	—1.3	776.00p
Tin Cash	£7,520	—90	£7,450
3 mths	£7,365	—72.5	£7,235
Tungsten	$142.72	....	$142.36
Wolfrm 22.04 cif	$137/143	....	$141/146
Zinc cash	£318	—4.5	£309
3 months	£328	—4.5	£318.75
Producers	$760	....	$760
Oils			
Coconut (Phil)	$920.0r	....	$920.0
Groundnut	‡	....	‡
Linseed Crude	£435	—5	£396
Palm Malayan	$637.50s	....	$595.00
Seeds			
Copra Philip	$610.0r	....	$605
Soyabean(U.S.)	$297.0t	+2.85	$280.5
Grains			
Barley Futures	£94.55	—0.4	£97.10
Maize			
French No3AM	£116.75	....	‡
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	£111.50r	—0.25	£104.45
Eng. Millingt	‡	....	‡
Other commodities			
Cocoa ship't	£1,490	—21	£1,460
Future Mar.	£1,417.5	—25	£1,415.5
CoffeeF't'rJan.	£1,880.5	+5	£1,748.5
Cotton A.Index	80.25c	—0.2	78.35c
Rubber (kilo)	64.00p	—2	60.50p
Sugar (Raw)	£162.0	....	£143.0
Wooltp's 64s kl	290p kilo	+3	286p

* Nominal. † Newcrop. ‡ Unquoted. q Nov. r Nov.-Dec. s Dec. t Jan. z Indicator. § Buyer.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on November 15. GB cattle 74.63p per kg l.w. (−0.23): UK sheep 118.0p per kg est. d.c.w. (−10.6). GB pigs 76.1p per kg l.w. (−0.3). England and Wales: Cattle numbers up 23.2 per cent, average price 73.73p (+0.06). Sheep numbers down 20.6 per cent, average price 118.4p (−9.8). Pig numbers up 5.0 per cent, average price 76.1p (−0.3). Scotland: Cattle numbers down 4.2 per cent, average price 77.40p (−0.33). Sheep numbers down 30.4 per cent, average price 114.7p (−15.2).

SMITHFIELD — Pence per pound. Beef: Scottish killed sides 60.0 to 65.0: Eire Hind quarters 68.0 to 70.0, Forequarters 44.0 to 46.0. Veal: Dutch hinds and ends 102.0 to 110.0. Lamb: English small 48.0 to 56.0, medium 46.0 to 52.0, heavy 40.0 to 46.0: Scottish medium 42.0 to 50.0, heavy 40.0 to 50.0. Imported frozen—NZ PL 51.0 to 52.0. PM 48.0 to 52.0. Pork: English, under 100 lbs 44.0 to 52.0, 100-120 lbs 43.0 to 51.0, 120-160 lbs 42.0 to 50.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated.

English produce: Potatoes—Per bag 2.00-2.80. Lettuce—Per 12 round 0.80-1.00. Mushrooms—Per pound 0.60-0.70. Apples—Per pound Bramley 0.06-0.11, Worcester Pearmain 0.06, Cox's Orange Pippin 0.06-0.13, Russets 0.05-0.08, Golden Delicious 0.05-0.06. Pears—Per pound Conference 0.04-0.09, Comice 0.09-0.12. Plums—Per pound Wyedales 0.08-0.10. Tomatoes—Per 12 lbs 1.00-1.20. Cucumbers—Trays 8/10/12 1.20-2.20. Cauliflowers—12's Lincoln 2.60, Kent 3.00-3.50. Celery—Boxes, naked 12/18/20's 1.20-1.80, cartons 28's 3.40. Onions—Per bag 2.40-2.80. Picklers 55 lbs 2.50-3.00, Cocktail 22 lbs 1.50. Carrots—Per bag 0.50-0.70. Beetroot—Per bag 0.80. Capsicums—Per pound 0.40. Swedes—Per 25/28 lbs 0.70 Sprouts—Per pound 0.06-0.09. Cabbages Per bag 1.00. White cabbage 1.40-1.60. Cob nuts—Per pound 0.45-0.50. Turnips—Per 28 lbs 1.00. Parsnips—Per 28 lbs 1.20-1.30.

*

GRIMSBY FISH—Supply: moderate, demand: good. Prices at ship's side (unprocessed) per stone: Shelf cod £6.50-£7.00, codlings £3.40-£4.40. Large haddock £4.50-£5.00, medium £3.80-£4.50, small £2.60-£3.40. Best small plaice £4.70-£5.60. Skinned dogfish (large), £10.00 (medium) £8.00. Lemon soles large £10.50, medium £9.00.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 237 tonnes, bringing the total for the week to 1,661 tonnes. Additional support was evident in various Russian and Turkish qualities and the firm tone in prices encourages more users to anticipate their needs.

AMERICAN MARKETS

NEW YORK, Nov. 15.

GOLD AND silver prices came under pressure as the international turmoil concerning Iran calmed down. Copper advanced sharply as tightness in the near-by December has forced the exchange to allow trading for December liquidation or delivery only. The grains declined moderately while soyabeans finished slightly higher on Commission House activity. Cattle futures advanced moderately following a bullish cattle feed report, while the pork complex came under pressure from profit taking. Cocoa closed sharply lower on Commission House liquidation. Sugar was down the limit or sharply lower on reports of possible cancellation of an Iran tender. Coffee found support from announcements that the Bogata group will increase their price stabilisation fund. Cotton was supported by Commision House buying against trade selling, Heinold reported.

Potatoes (round whites)—March 73.5 (72.9). April 87.0 (87.5). May 98.7-98.9. Nov. unquoted. Sales: 357

Tin—Unquoted (unquoted).

CHICAGO Nov. 15

Lard—Chicago loose 23.25 (same). New York prime steam unavailable

Live Cattle—Dec. 71.15-71.30 (71.37-71.22). Jan. 72.95 (72.92-72.95). Feb. 74.00-73.95. April 74.65-74.50. June 75.25-74.40. Aug. 73.70-73.80. Oct. 72.50. Dec. 73.50. Sales: 27,970.

Live Hogs—Dec. 41.20-41.25 (41.65-41.22). Feb. 42.75-42.90 (43.37-42.82). April 40.50-40.60, June 44.30 July 45.05-45.15. Aug. 44.25. Oct. 43.00. Dec. 44.35. Feb. 45.10. Sales: 8,657.

‡‡Maize — Dec. 272-271½ (‑). March 289-288½ (291½). May 301-301¼ July 307¼-307¾. Sept. 311-311½. Dec. 314.

Pork Bellies—Feb. 53.62 (55.62-53.62). March 53.90 (55.90-53.90) May 55.15. July 56.10. Aug. 54.77. Sales: 5,741

Silver—Nov. 1603.0 (1609.0). Dec. 1615.0-1630.0 (1620.0). Feb. 1659.0. April 1687.0. June 1714.0. Aug. 1739.0. Oct. 1765.0. Dec. 1791.0. Feb 1817.0. April 1843.0. June 1869.0. Aug. 1895.0. Oct. 1921.0. Dec. 1947.0. Feb. 1973.0. April 2006.0. June 2032.0. Aug 2058.0.

‡Soyabeans—Nov. 675½-676½ (671½). Jan. 693-694 (690½). March 716½-717½ May 736-737. July 751½. Aug. 757. Sept. 758½. Nov. 764.

‖Soyabean Meal—Dec. 195.80-196.00 (192.60). Jan. 197.90-197.50 (195.50). March 200.40. May 202.50-202.20. July 205.30. Aug. 207.00. Sept. 208.00-208.50. Oct. 209.00-209.50. Dec. 211.00-211.50.

Soyabean Oil — Dec. 26.40-26.45 (26.72). Jan 26.15-26.10 (26.38). March 25.90-25.98. May 26.00. July 26.15-26.10. Aug. 26.20. Sept. 26.30-26.25. Oct. 26.30. Dec. 26.40-26.45. Jan. 26.40-26.45

‡Wheat—Dec. 434-433 (442½). March 455-454 (462¾). May 460-459½. July 453½-454½. Sept. 464½. Dec. 478½.

*Platinum — Nov unquoted (unquoted). Dec. unquoted (unquoted). Jan 477.00-479.00. April 480.00. July 487.80. Oct. 495.00. Jan. 499.40. April unquoted. Sales: 1,874.

¶Silver—Nov 1605.0 (1615.0) Dec. 1613.0-1618.0 (1627.0). Jan 1636.5. March 1676.0-1680.0. May 1704.0. July 1727.0. Sept. 1751.0. Dec. 1767.0. Jan. 1800.0. March 1825.0. May 1850.0. July 1875.5. Sept 1901.0. Sales: 11,916. Handy and Harman bullion spot 1587.00 (1603.00).

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 247.80 (249.60).

WINNIPEG, November 15. §Barley—Dec 117.40 (119.00). March 116.90 (118.30). May 115.80. July 114.90. Oct. 113.60.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, November 15.

Wheat—U.S. No. Two Dark Hard Winter wheat 15.4 per cent. Jan. $216. Feb. $218. March $220. U.S. Hard Winter wheat 13.5 per cent. Jan. $216. No. Two Red Winter wheat Jan. $212. Feb. $214. March $215. U.S. No. Two Northern Spring wheat 14 per cent. Nov. $208. Dec. $213. Jan $218. Feb. $222.50. March $226. April/May $204.

Maize—U.S. No. Three Corn Yellow April $146. Nov. $144. Dec. $145.50. Jan./March $153. April/June $155.75. July/Sept. $158.50. Oct./Dec. $160.

Barley—Unquoted.

Soyabeans—U.S. No. Two Yellow Gulfports No. $289. Dec. $289.50. Jan. $293.50. Feb. $299.75. March $301.50. April $304.50. May $305.75. June $309.75. July $309.75. Aug. $311.25. Sept. $313. Oct. $314.75. Nov. $314.50. Dec. $320.50. Brazil Yellow faq unquoted. Argentine May $300. June/July $299.50 sellers, May $299.75 traded.

Soyameal—44 per cent protein U.S. Nov. $252. Dec. $252.50. Jan./March $254. April/Sept. $256. Brazil Pellets April $260. Nov. $260. April/May $254.50. April/Sept. $256.

PARIS, November 15

Cocoa (FFr per 100 kilos)—Dec 1,240/1,250. March 1,246/1,248. May 1,260/1,270. July 1,265. Sept. 1,295. Dec. 1,315/1,335. Sales at call 1.

Sugar (FFr per 100 kilos)—Dec. 1,662/1,668. March 1,680/1,684. May 1,695/1,700. July 1,695/1,715. Aug. 1,710/1,735. Oct. 1,720/1,755. Nov. 1,710/1,755. Dec. 1,740/1,775. Sales at call 5.

INDICES

FINANCIAL TIMES

Nov. 14	Nov. 13	M'nth ago	Year ago
299.64	300.10	295.65	259.42

(Base: July 1, 1952=100)

MOODY'S

Nov. 14	Nov. 13	M'nth ago	Year ago
1152.0	1149.1	1155.7	965.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Nov. 14	Nov. 13	Month ago	Year ago
Spot	410.36	411.30	407.19	394.11
F'tur's	420.29	420.96	412.15	390.07

(Average 1924-25-26=100)

REUTERS

Nov. 15	Nov. 14	M'nth ago	Year ago
1706.0	1710.6	1653.1	1503.2

(Base: September 18, 1931=100)

Chaotic day leaves Gilts down nearly £5 at lowest for nearly three years—Equities lose early firmness

Account Dealing Dates

Options

*First Dealings	Declara- tions	Last Dealings	Account Day
Nov. 5	Nov. 15	Nov. 16	Nov. 26
Nov. 19	Dec. 6	Dec. 7	Dec. 17
Dec. 10	Dec. 20	Dec. 27	Jan. 7

* "New time" dealings may take place from 9.30 am two business days earlier.

Non-plussed by the absence of hire-purchase and other credit restrictions to back up the 3 point hoist in the key Minimum Lending Rate to 17 per cent, the Gilt-edged market was totally confused later by the announcement of a new £1bn tap stock issue. The stock, issued to the Bank of England and designated Treasury 13¾ per cent 2000-03 "A," is not for public subscription and dealings in it will start today.

Trading in Government stocks was halted after the MLR decision was made known at 12.30 pm and was resumed 45 minutes later with longer-dated stocks 4¼ points down on balance. Exhaustion of both tap stocks emphasised a massive demand, but brought little general recovery until later in the afternoon; the longer issue, Exchequer 12 per cent 1999-2002, was withdrawn as a tap following a limited business and the medium-dated Treasury 11½ per cent 1989 some while later at a price of 81½, or some 14 points below its last operational level.

Dealings were suspended for a second time ahead of the statements expected to contain restrictions on credit, but on resumption the tone weakened again. Treasury 12½ per cent 2003-05 closed 4¼ down at 84 but was being quoted at around 83¾ at the end, while short-dated issues also sustained heavy losses ranging to 2¾ points. Thus the market, despite its steep decline in advance of yesterday's MLR announcement, had its biggest single-day fall for five months with the FT Government securities index dropping 1.57 to 63.31—its lowest since January 14, 1977.

The extraordinary happenings in Gilts overshadowed the equity sections, but a firmer tendency at the opening was maintained throughout the morning session. Business was enlivened by trading statements from **Royal Dutch/Shell**, **Land Securities**, **Boots** and **British and Commonwealth**. However, the tone in leading shares deteriorated soon after midday and the FT 30-share index, which had registered a gain of 5.8 at 11 am, came back to close a net 3.7 down at 406.3, its lowest since early-April, 1977.

Shares with Rhodesian connections usually went better on the reports emanating from the Lancaster House talks, and **Southern Rhodesian** bonds put on amounts ranging to £5 as in 2½ per cent 1965-70, at a peak of £115. On the offer from the Chilean-based Turismo e Immobiliaria, **Autofagasta Railway** rose 5 points to £41 and the 5 per cent preference 7 points to £49.

A more active business in Traded options resulted in 565 deals being arranged compared with the previous day's depressed level of 293 and last week's average of 583. Revived bid speculation prompted a useful trade in **Cons. Gold Fields**, 162 deals, while **EMI** were also well to the fore with 124.

Banks steady

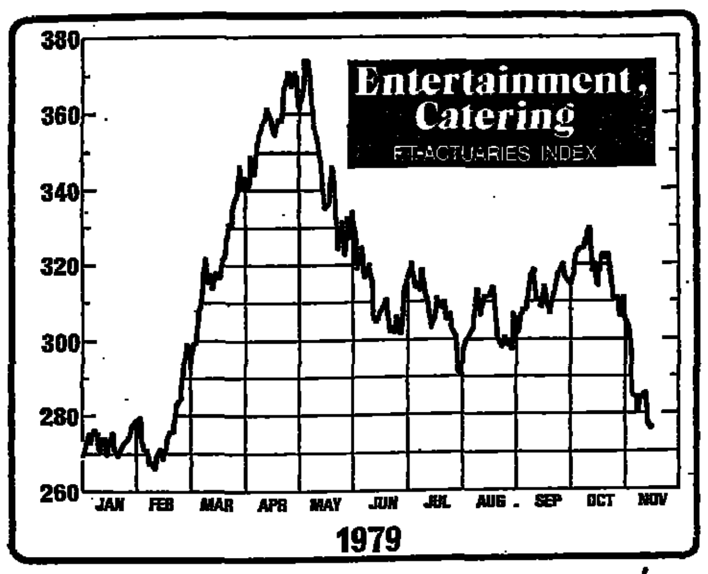
The increase in Minimum Lending Rate to a record 17 per cent and the 6 month extension on special deposits made little impression on the major clearing banks. Quotations remained around earlier steady levels as the market awaited notice of rises in base lending rates in line with the peak key rate. *NatWest, which on Tuesday had prematurely decided to increase its rate to 15½ per cent, held its overnight level of 312p, while* **Lloyds** closed a few pence off at 272p and **Midland** a couple of pence dearer at 320p. Hire Purchases were depressed by the moves to dearer credit and closed easier throughout. **F. C. Finance** dipped 3 to 55p and **UDT** 2 to 32p.

Composite Insurances moved against the dull market trend, buoyed by **Royal's** set of better-than-expected third-quarter profits which followed hard on the heels of those reported by **Commercial Union** and **General Accident** earlier this week. Royals put on 4 to 292p following the results, while CU and GA closed similarly dearer at 125p and 198p respectively. *Sun Alliance added 6 at 496p.*

Scattered early support for Breweries and kindred issues fell away and the closing tone was easier. **Allied** eased a fraction to 83½p, after 85p. **Morland** announced increased annual profits and a substantial dividend rise and held at 80p, but **Wolverhampton and Dudley** reflected the general trend in regional issues with a fall of 5 at 268p. Elsewhere, **Amalgamated Distilled Products** lacked support and eased 3 to 40p, while **H. P. Bulmer** gave up 4 to 162p. Dealings in long-time takeover favourite **Geo. Sandeman** were suspended at 85p awaiting an announcement from the company; market rumours suggest a bid from either Bass or Distillers.

Unsettled by the bigger-than-expected increase in MLR, Building issues showed pronounced dullness. Housebuilders to give ground included **Gough Cooper**, 65p, and **Federated Land and Building**, 54p, down 4 apiece. Elsewhere, **Tilbury Contracting** fell 5 to 210p, while losses of a similar amount were seen in **May and Hassell**, 61p, **Wilson Connolly**, 155p, *and* **Taylor Woodrow**, 332p. **Sheffield Brick** lost 2 to 38p and **Westbrick** eased a similar amount to 53p.

ICI improved to 333p before falling back quite swiftly to end 3 cheaper on the day at 323p. Elsewhere in Chemicals, **Arrow**, 76p, and **Hickson and Welch**, 165p, both eased 4.



Stores down again

The disappointing interim results from **Boots** and fears that dearer credit will severely curtail pre-Christmas consumer spending set the seal for another depressing day in the Store majors. **Boots** closed 4 off at 148p, while **Gussies "A"** lost 8 more to 326p and **House of Fraser** shed 7 to 111p. **Burton "A"** gave up 6 to 208p and **British Home**, 220p, and **Raybeck**, 73p, declined 4 apiece. **Combined English** dipped 3 to 33p but **UDS** cheapened 2 to 72p but **Marks and Spencer** finished only a penny lower at 84p, after 83p. Secondary stocks performed in a similar manner with falls of about 5 recorded in **Church**, 173p, **Empire**, 154p, **A. G. Stanley**, 50p, and **Waring and Gillow**, 120p. Shoes failed to escape the slide, **George Oliver "A"** losing 10 to 88p and **Stylo** 5 to 155p.

Among the Electrical leaders, **GEC** closed without alteration at 313p, after touching 318p, but **Plessey** finished 3 down at 106p, after 110p. **Thorn** gave up 6 to 314p, with **EMI** 3 off at 133p. Further selling was evident in secondary issues. **Decca** weakened afresh to 295p, down 10, with the ordinary 15 lower at 250p. **Louis Newmark** fell 10 to 215p in a restricted market, *while* **Pressac** *were also noteworthy for a loss of 8 at 95p.* Fresh offerings left **Eurotherm** 4 down at 288p, while similar losses were marked against **Farnell**, 200p, **Muirhead**, 230p, and **Ward and Goldstone**, 70p. **Newman Industries** were also vulnerable at 48p, down 5. News that the acquisition of Vero Electronics had been completed failed to benefit **BICC** which eased 3 to 90p.

Inclined harder at the start, Engineering leaders eased back and final quotations were a few pence lower on balance. **Tubes**, up to 272p initially, ended 2 off at 266p, while **GKN**, 238p, and **Hawker**, 152p, finished similarly lower. Secondary issues encountered further selling, although not on the previous day's scale. **Braithwaite** fell 6 to 67p and **APV** 7 to 148p, while losses of around 5 were recorded in **Ransomes Sims**, 115p, **Turriff**, 77p, and **Wadkin**, 90p. Smaller-priced issues to give ground included **Redman Heenan**, 3 cheaper at 43p, and **J. H. Dennis**, a similar amount down at 37p. **Porter Chadburn** closed a penny off at 75p on the lower half-yearly profits, but **Manganese Bronze** responded to better-than-expected results with a rise of 3 to 32p.

Leading Foods tended to move against the trend and closed with modest gains. **J. Sainsbury** added a couple of pence to 270p, as did **Associated Dairies** to 146p. **Associated British Foods** improved 3 to 76p and **Tesco** hardened a shade to 68p. **British Sugar** rose 2 to 151p following the satisfactory preliminary results and **Tate and Lyle** firmed a penny to 140p in sympathy. **Amos Hinton** fell to 62p on the halved interim profits but, following the company's encouraging statement, the shares settled at 64p for a net loss of 2. **Kwik-Save** also eased 2, ending at 100p; the annual results are due on Wednesday. **J. N. Nichols (Victo)** provided an outstanding firm feature, rising 6 to 268p, on the higher mid-term profits and large dividend increase.

Stocklake firm

Firm at first, the miscellaneous industrial leaders turned lower following the Minimum Lending Rate announcement and closed with fresh falls ranging to 7. **Glaxo** reacted from 398p to finish 7 down at 388p, *while* **Bowater** closed 5 off at 145p. **Unilever** touched 462p following comment on the favourable third-quarter figures but ran back to finish unaltered on teh day at 458p. News of the progress made in the Rhodesian settlement negotiations buoyed both **Turner and Newall** and **Stocklake** which have substantial interests in that area; the former improved to 118p but then eased with the general trend to finish only 3 harder on balance, at 113p but **Stocklake** fared rather better in closing with an improvement of 9 at 113p. Elsewhere, **PMA** dipped 6 to 77p on further consideration of the interim results. **De La Rue** lost 15 more to 475p in the wake of Tuesday's better-than-expected half-yearly figures and **Redfearn National Glass** fell 8 to 217p. **I.C. Gas**, 568p, **Marshalls Universal**, 122p, **National Carbonising**, 100p, and **United Carriers**, 122p, all finished 6 lower, while **Proprietors of Hays Wharf** declined 5 to 103p.

Motor sectors again lacked support and closed with falls across the board. **Dowty** fell 7 for a two-day loss of 11 to 257p, while **Lucas** shed 2 to 205p, as did **Jonas Woodhead**, 102p. **Flight Refuelling**, however, rose that amount to 160p on second thoughts about Wednesday's interim results. Distributors ended with falls to 5, **Harold Perry** easing that much to 114p. **Appleyard**, 60p, **British Car Auctions**, 47p, and **Caffyns**, 115p, all gave up 4, while **Godfrey Davis**, at 104p, lost the previous day's rise which followed the pleasing interim statement.

Among dull Newspapers, **United** fell 7 to 346p and **East Midland Allied Press** lost 2 to 64p, the latter on further reflection of Wednesday's half-timer. **Marshall Cavendish** lacked support and closed 2 off at 18p while, in Paper/Printings, **Chapman (Balham)** were also friendless and ended 14 lower at 83p. **Brunning** declined 3 to 39p in front of the interim results expected on Wednesday.

The new record Minimum Lending Rate brought the expected bleak response from a friendless and depressed Property sector—a further lengthy list of sizeable falls. Interim profits in line with general expectations did, however, cushion the fall in **Land Securities** which closed only 3 lower at 243p. **MEPC** fell 6 to 132p and **London Provincial** gave up 14 to 200p, while falls of 10 were recorded in **Stock Conversion**, 320p, **Imry**, 460p, **Hammerson A**, 705p, **Percy Bilton**, 170p, **Bradford**, 102p, and **Warnford**, 335p. **Estates and Agency** fell 8 to 88p as did **Property Security**, to 123p.

Shell improve

Oil shares had a volatile session. Already trending easier after a firm start, news that the petroleum revenue tax for oil companies had been advanced by two months tended to dampen sentiment further in the late dealings and the majority of quotations were well down on balance. However, **Shell**, helped by good third quarter figures closed 6 higher at 326p, after 334p, while **Ultramar**, also in response to third quarter figures, ended 8 up at 358p, after 372p. **British Petroleum** moved between extremes of 368p and 352p before settling at 354p for a loss of 6 on the day, while the partly-paid new shares ended 2 down at 154p, after 162p. **Lasmo**, 314p and **Oil Exploration**, 608p, closed 10 and 7 lower respectively. In a thin market, **Gas and Oil Acreage** improved 15 to 270p following favourable Press mention.

Trusts continued on an easier trend. Among some of the more noteworthy movements, **Derby Capital** fell 8 to 142p and **Cambrian and General** 4 to 84p.

Among Shippings, **P and O Deferred** gave up 3½ more to 99p, with **Ocean Transport** easing 1½ further to 91p.

Dismal Textiles were featured by a fall of 8 to 27p in **John Beales** which followed the first-half deficit and passed dividend. **Allied** eased 4 to 82p for a two-day fall of 11, while **David Dixon** gave up 6 at 114p. **Illingworth Morris** turned dull, closing 2 off at 17p, with the "A" 3 lower at 13p. **Coats Patons** however firmed a fraction to 48p after Press comment.

Rhodesians firm

The latest progress towards a settlement of the Zimbabwe-Rhodesia situation helped Rhodesians to move ahead in an otherwise drab mining market.

Prices were marked up following reports of an imminent agreement between the three sides involved in the Lancaster House talks but failed to make any further progress.

Falcon Mines rose 15 to 415p, **Coronation Syndicate** 10 to 215p, **MTD Mangula** 5 to 100p, **Wankie** 4 to 64p and **Rhodesian Corporation** 3 to 36p.

The Lancaster House news failed to have any impact on South African Golds which drifted in subdued trading in line with the bullion price. The latter was finally $6.50 lower at an ounce. The Gold Mines index eased 3.2 to 204.2.

Heavyweights registered falls to ½ as in **Free State Geduld**, £15½, while losses of ⅜ were common to **Randfontein**, £21¼, **West Driefontein**, £25¼ and **President Brand**, £11.

In a generally firm London Financials section, **Gold Fields** stood out with a surge to a high of 330p on renewed takeover speculation before easing to close a net 8 up at 326p.

Charter Consolidated rose 7 to 154p and **Rio Tinto-Zinc** 2 to 274p, after 276p.

South African Financials lost ground across a broad front with the notable exception of **GFSA** which responded to London buying with a gain of ¼ at £23¾, after £23½.

Anglo American Corporation dropped 20 to 385p, **"Amgold"** ½ to £26½ and **De Beers** 6 to 342p.

In Coppers, the improved Zimbabwe-Rhodesia situation prompted a rise of 2½ to 15½p in **ZCI** and helped **Messina** to put on 8 to 106p.

A downturn in overnight Sydney and Melbourne markets brought out London selling of Australians. **Pancontinental** fell 37 to 650p, **North Broken Hill** 6 to 139p, **Western Mining** 5 to 165p and **MIM Holdings** 4 to 165p.

Eagle Corporation, 1½ cheaper at 20p, and **Swan Resources**, 2½ off at 27p, lost ground "ex" their respective rights issues.

FINANCIAL TIMES STOCK INDICES

—	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 9	Nov. 8	A year ago
Government Secs.	63.31	64.88	65.86	65.83	65.48	66.10	68.27
Fixed Interest	64.06	65.93	66.47	66.16	66.40	66.78	69.56
Industrial	406.3	410.0	423.5	413.0	420.9	418.8	471.0
Gold Mines	204.2	207.4	205.6	212.8	210.6	212.3	150.3
Ord. Div. Yield	8.15	8.07	7.85	8.05	7.90	8.06	6.08
Earnings,Yld. % (full)	19.64	19.46	18.95	19.40	19.06	19.44	16.06
P/E Ratio (net) (*)	6.27	6.33	6.51	6.35	6.46	6.35	8.05
Total bargains	19,350	16,876	19,817	17,463	16,392	17,911	—
Equity turnover £m	—	72.68	85.77	66.90	75.97	88.83	64.86
Equity bargains total	—	12,848	15,839	13,228	12,118	12,043	15,402

10 am 412.7, 11 am 415.8, Noon 413.9, 1 pm 409.2, 2 pm 408.3, 3 pm 407.5.

Latest Index 01-248 8026.

* Nil=6.01.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.31 (15/11)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/6)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	260.0 (2/10)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 15	Nov. 14
—Daily		
Gilt Edged	150.3	154.6
Industrials	112.3	129.7
Speculative	32.2	37.2
Totals	90.8	92.1
5-d'y Av'r'ge		
Gilt Edged	146.9	148.0
Industrials	128.8	132.4
Speculative	40.5	42.4
Totals	90.6	92.5

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (8)

LOANS (2)

Southern Rhodesia 2½pc '65-70

Southern Rhodesia 5pc '78-81

FOREIGN BONDS (2)

Antofagasta Rly. Do. 5pc Pref.

INDUSTRIALS (1)

Stocklake

OILS (1)

Gas & Oil Acreage

MINES (1)

Cons. Gold Fields

PAPER (1)

Harrison & Sons

NEW LOWS (420)

BRITISH FUNDS (58)
INTERNATIONAL BANK (1)
CORPORATION LOANS (16)
COMMONWLTH. & AFRICAN LOANS (2)
LOANS (11)
AMERICANS (6)
BANKS (5)
BUILDINGS (29)
CHEMICALS (7)
DRAPERY & STORES (22)
ELECTRICALS (9)
ENGINEERING (45)
FOODS (8)
HOTELS (4)
INDUSTRIALS (52)
LEISURE (5)
MOTORS (14)
NEWSPAPERS (4)
PAPER & PRINTING (7)
PROPERTY (9)
SHOES (4)
TEXTILES (12)
TOBACCOS (1)
TRUSTS (59)
OILS (1)
OVERSEAS TRADERS (5)
RUBBERS (1)
MINES (3)

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Thur., Nov. 15, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Nov. 14 Index No.	Tues., Nov. 13 Index No.	Mon. Nov. 12 Index No.	Fri., Nov. 9 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (173)	202.79	−0.9	21.16	7.37	6.01	204.64	209.69	205.68	208.12	227.04
2	Building Materials (27)	195.76	−0.2	20.52	7.15	6.29	196.23	199.32	196.72	198.59	192.87
3	Contracting, Construction (29)	318.17	−1.4	28.98	7.49	4.27	322.58	326.73	322.84	327.06	360.84
4	Electricals (15)	515.49	−0.7	15.72	4.52	8.51	518.92	534.69	524.59	529.38	528.59
5	Engineering Contractors (11)	278.14	−1.0	26.75	9.12	4.84	280.85	289.51	282.10	286.77	356.79
6	Mechanical Engineering (75)	138.93	−1.3	23.63	9.12	5.27	140.73	144.58	141.18	142.81	178.17
8	Metals and Metal Forming (16)	136.91	−1.4	23.42	11.01	5.22	138.90	142.38	139.05	141.97	168.46
11	CONSUMER GOODS (DURABLE) (52)	192.36	−1.5	19.21	6.16	6.46	195.38	199.09	194.98	197.98	198.88
12	Lt. Electronics, Radio, TV (15)	268.54	−1.4	15.08	4.69	8.50	272.33	276.72	271.79	275.69	245.36
13	Household Goods (14)	114.25	−2.6	26.28	9.35	4.64	117.32	118.59	118.39	120.33	169.82
14	Motors and Distributors (23)	96.54	−1.6	27.21	8.86	4.48	98.16	100.88	97.67	99.39	118.16
21	CONSUMER GOODS (NON-DURABLE) (170)	202.12	−0.8	19.57	7.16	6.35	203.83	209.17	205.23	208.12	203.39
22	Breweries (14)	253.12	−0.1	17.79	6.11	6.70	253.46	258.48	252.30	254.44	224.59
23	Wines and Spirits (6)	299.59	−0.4	18.61	6.12	6.64	300.87	306.57	300.15	302.09	276.61
24	Entertainment, Catering (17)	275.28	−0.3	18.03	6.80	7.23	276.02	285.17	288.04	284.27	252.31
25	Food Manufacturing (18)	185.88	+0.5	21.56	7.34	5.74	184.92	188.58	185.05	186.70	200.25
26	Food Retailing (15)	270.33	+0.8	14.77	4.87	8.11	268.30	273.78	264.33	268.52	216.00
32	Newspapers, Publishing (12)	363.36	−1.3	26.13	8.02	5.29	368.14	371.91	366.27	367.46	367.89
33	Packaging and Paper (15)	112.40	−1.6	26.27	10.35	4.90	114.20	116.55	114.99	116.90	130.23
34	Stores (41)	190.33	−2.3	15.67	5.80	8.37	194.75	200.99	198.47	201.84	192.09
35	Textiles (23)	127.97	−1.4	28.83	12.54	4.39	129.72	133.72	131.18	133.80	173.66
36	Tobaccos (3)	205.75	−1.0	27.71	10.81	4.08	207.73	214.35	209.80	213.84	224.19
37	Toys and Games (6)	50.92	−0.3	31.89	14.06	4.01	51.07	53.04	53.04	54.38	92.77
41	OTHER GROUPS (98)	176.67	−1.0	17.88	7.45	6.84	178.47	182.32	178.27	181.01	192.25
42	Chemicals (18)	255.79	−1.1	19.52	7.68	5.98	258.61	264.53	258.42	262.12	274.84
43	Pharmaceutical Products (7)	195.71	−0.5	13.35	6.23	9.08	196.62	200.58	195.19	200.01	241.82
44	Office Equipment (6)	102.97	−1.4	19.38	8.19	6.44	104.45	105.56	102.66	104.86	125.32
45	Shipping (10)	403.58	−1.1	13.14	7.83	9.71	407.92	412.12	404.04	408.98	395.78
46	Miscellaneous (57)	202.30	−1.1	19.28	7.66	6.62	204.64	209.80	205.92	208.21	206.57
49	INDUSTRIAL GROUP (493)	201.69	−0.9	19.53	7.21	6.38	203.62	208.55	204.41	207.26	212.81
51	Oils (7)	700.35	−0.3	16.14	6.87	6.69	702.35	712.44	703.64	717.30	588.35
59	500 SHARE INDEX	241.00	−0.8	18.80	7.14	6.44	242.95	248.32	243.79	247.47	237.23
61	FINANCIAL GROUP (117)	164.54	−0.2	—	6.61	—	164.84	168.55	166.40	169.18	160.35
62	Banks (6)	200.78	—	40.97	6.38	3.12	200.86	203.24	203.68	206.76	185.23
63	Discount Houses (10)	213.45	—	—	9.29	—	213.45	213.19	207.54	212.10	203.82
64	Hire Purchase (5)	142.32	−2.1	24.91	6.11	5.08	145.44	147.45	148.09	150.69	136.39
65	Insurance (Life) (10)	135.80	+1.0	—	7.74	—	134.44	139.21	135.95	137.34	128.26
66	Insurance (Composite) (8)	109.79	+1.9	—	8.88	—	107.71	110.43	107.88	109.78	119.23
67	Insurance Brokers (10)	241.43	+1.0	20.65	8.09	6.93	238.96	244.05	237.26	238.26	319.24
68	Merchant Banks (14)	85.20	−0.1	—	6.91	—	85.29	86.41	87.41	87.78	75.67
69	Property (44)	282.60	−3.0	4.32	3.48	33.66	291.22	301.83	295.81	304.55	248.27
70	Miscellaneous (10)	112.91	+0.4	16.82	7.95	7.74	112.43	112.44	112.03	112.07	104.74
71	Investment Trusts (109)	176.91	−0.4	—	6.67	—	177.54	180.53	178.52	179.71	200.49
81	Mining Finance (4)	135.44	+1.7	16.43	6.30	7.39	133.22	133.18	131.73	134.25	100.14
91	Overseas Traders (20)	305.75	−0.6	16.04	8.88	7.57	307.54	314.18	310.04	312.64	306.04
99	ALL-SHARE INDEX (750)	219.85	−0.6	—	7.04	—	221.21	225.93	222.16	225.47	216.60

FIXED INTEREST PRICE INDICES

	British Government	Thur., Nov. 15	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	98.88	−1.06	—	8.32
2	5-15 years	101.43	−2.77	—	9.35
3	Over 15 years	104.62	−3.53	—	12.28
4	Irredeemables	113.64	−2.24	—	13.32
5	All stocks	101.28	−2.44	—	10.04

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Thur., Nov. 15	Wed., Nov. 14	Year ago (approx.)
1	Low Coupons	5 years	13.00	12.44	9.60
2		15 years	13.05	12.62	11.44
3		25 years	13.10	12.79	12.15
4	Medium Coupons	5 years	15.14	14.64	12.61
5		15 years	14.85	14.29	12.67
6		25 years	14.60	14.01	12.67
7	High Coupons	5 years	15.68	15.11	12.60
8		15 years	15.28	14.71	13.21
9		25 years	14.98	14.34	13.27
10	Irredeemables		12.83	12.54	12.11

		Thurs., Nov. 15 Index No.	Yield %	Wed. Nov. 14	Tues. Nov. 13	Mon. Nov. 12	Friday Nov. 9	Thurs. Nov. 8	Wed. Nov. 7	Tues. Nov. 6	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	51.30	†14.42	52.25	52.36	52.27	52.59	52.95	54.59	54.88	58.10
16	Investment Trust Prefs. (15)	43.09	15.38	45.90	45.57	46.57	45.57	46.16	46.41	46.41	51.54
17	Coml. and Indl. Prefs. (20)	59.89	16.00	61.87	61.98	61.86	62.08	62.25	62.78	62.88	71.59

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Cons. Gold Fields	25p	10	326	+ 8	330	178
ICI	£1	10	323	− 3	415	314
Marks & Spencer	25p	9	84	− 1	134	83
BP "New"	25p	8	154	− 2	164	150
Ultramar	25p	8	358	+ 8	396	197
Shell Transport	25p	7	326	+ 6	402	278
Woolwth. (F. W.)	25p	7	56½	—	87	56
BAT Inds.	25p	6	243	− 3	362	243
Beecham	25p	6	124	—	139	122
EMI	50p	6	133	− 3	147	81
GEC	25p	6	313	—	456	311
Turner & Newall	£1	6	113	+ 3	176	108
Coral Leisure	10p	5	75	+ 1	133	74
Imperial Grp.	25p	5	77½	− ½	108	77½
Lonrho	25p	5	69	+ 1	90	62

OPTIONS

DEALING DATES

First Deal- ings	Last Deal- ings	Last Declara- tion	For Settle- ment
Nov. 12	Nov. 23	Feb. 21	Mar. 3
Nov. 26	Dec. 7	Mar. 6	Mar. 17
Dec. 17	Dec. 28	Mar. 20	Mar. 31

For rate indications see end of Share Information Service

Money was given for the call in Trafalgar House, BP New, Dubilier, FNFC, Bambers, Avenue Close, Premier Oil, Ladbroke Warrants, Debenhams, Town and City, J. Finlan, Woodside, Gold Fields of South Africa, Burton Warrants, KCA, Decca "A" and Fodens. Puts were arranged in Consd. Gold Fields, Mothercare, Bambers, Ultramar, Diploma and Eurotherm, while a double was completed in British Land.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	300	74	13	80	—	—	—	361p
BP	350	32	20	40	—	—	—	"
BP	360	—	—	—	—	44	1	"
BP	375	17	15	26	—	—	—	"
BP	400	8	2	16	—	—	—	"
Com. Union	140	4	—	5	8	9	—	125p
Cons. Gold	220	112	20	119	—	—	—	326p
Cons. Gold	260	72	—	85	33	91	—	"
Cons. Gold	280	56	46	67	2	75	1	"
Cons. Gold	330	22	41	32	20	42	—	"
GEC	330	14	—	26	1	41	—	314p
GEC	360	5½	—	15	1	28	—	"
Grand Met.	160	—	—	3	13	5	—	125p
ICI	300	37	11	43	—	—	—	327p
ICI	330	16	20	22	—	34	—	"
ICI	360	6	3	11	1	21	—	"
ICI	390	1½	3	6½	16	14	—	"
Land Secs.	240	15	16	26	—	32	—	242p
Land Secs.	260	5½	17	15	24	21	—	"
Land Secs.	330	1	20	2½	—	4	—	"
Marks & Sp.	80	7	16	12	—	15	—	83p
Marks & Sp.	90	3	4	7	18	9	2	"
Marks & Sp.	110	1½	—	2½	2	4½	9	"
Shell	375	6	22	—	—	—	—	326p
Totals			288		133		13	
		November		**February**		**May**		
EMI	100	36	5	40	17	41	11	133p
EMI	110	26	—	30	1	31	—	"
EMI	120	16	9	20	2	21	—	"
EMI	130	6	3	11	10	11	—	"
EMI	140	2	50	7	16	8	—	"
Imperial Gp.	80	1	—	5	—	5½	2	78p
RTZ	330	1½	—	11	5	21	—	275p
Totals			67		51		18	

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	83	2
Corpns. Dom. and Foreign Bonds	2	48	20
Industrials	79	658	863
Financial and Prop	51	206	244
Oils	12	18	10
Plantations	—	17	11
Mines	18	83	46
Others	13	81	57
Totals	175	1,190	1,053

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P/E Ratio
363	150	—	164	150	B.P. 'New'	154	−2	§15.75	6.8	5.4	6.6
**	F.P.	—	105	65	Fogarty (E.) Defd.	65	−5	—	—	—	—
125	F.P.	28/11	176	152	Link House 20p	152	−5	u7.0	1.7	6.6	12.6
—	F.P.	—	118	99	Rosehaugh 10p	102xd	−6	—	—	—	—
R2	F.P.	—	131	119	†SASOL R1	119	−5	T16c	2.2	7.7	5.9
§§§	F.P.	—	12	8½	Stewart Nairn	8½	......	0.15	5.4	2.5	7.5
Fl.7.50	F.P.	—	285	232½	Vitatron N.V. Fl.0.25	268	−4	bFl.046	2.5	3.9	10.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶	£10	31/1	9	6	Bristol Waterworks 8% Red. Pref. 1984	6	−2
¶	F.P.	13/12	102	98	Cambridge Water 8% Red. Pref. 1984	98	−3½
¶	F.P.	29/11	102	97	Eastbourne Waterworks 8% Red. Pref.	97	−5
**	F.P.	23/11	105p	96p	Forminster 10% Cum. Pref.	96p	−6
$100	F.P.	—	$99	$96	Hill Samuel Floating Rate Notes 1992	$97½	
98½	F.P.	16/11	99¼	89	London Trust 13% Deb. Stk. 2000-04	89	−2½
98½	—	5/11	99⅛	88	Mucklow A. & J. 13% 1st Mt. Db. 2000-05	88	−4
**	F.P.	9/11	106	96	Startrite Eng. 11% Cum. Pref.	96	−4
**	F.P.	30/11	104	95	Wintrust 10½% Cum. Pref.	95	−4

"RIGHTS" OFFERS

Issue Price p	Amt. Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979 High	1979 Low	Stock	Closing Price p	+ or −
A$4.50	Nil	—	—	320pm	246pm	BH Proprietary	268pm	......
30	F.P.	14/11	7/12	43	37	Cope Sportswear	43	......
500	F.P.	30/10	23/11	600	570	Duncan (Walter) & Goodricke	570	−5
44	F.P.	7/11	30/11	8pm	52/44	Francis Inds.	44	......
93	F.P.	2/10	16/11	111½	92	Hepworth Ceramics	93	......
66	F.P.	9/11	5/12	73	60	Ibstock Johnsen	60	−1
$M1.5	Nil	—	—	20pm	9½pm	††Kulim	10pm	−½
95	F.P.	16/11	4/1	100	90	Laporte Inds.	90	−5½
40	F.P.	15/11	4/1	45	40½	M. Y. Dart	39	......
57	Nil	28/11	11/1	6pm	½pm	Newman Tonks	½pm	−½
45	F.P.	19/10	16/11	60	52	Wace Group	55	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-588 6464
Apollo Fd. Oct. 31 | SF44.85 | 48.70 | — | 2.86
Japfest Oct. 31 | HK$13.55 | 14.67 | — | 7.31
117 Group Oct. 31 | US$11.25 | 12.20 | — | 3.41
117 Jersey Oct. 31 | £5.20 | 5.79 | — | 7.87
117 Jersey O's Nov. 7 | £6.52 | 6.84 | — | 3.58

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
*Hope St. Fd. | US$31.47 | — | —
*Murray Fund | US$12.99 | — | —
*NAV October 31.

Nat. Westminster Jersey Fd. Mgrs. Ltd.
45 La Motte St., St. Helier, Jersey 0534 36241
High Income Fund | 43.7 | 45.0xd | — | 13.32
Equity Fund | 43.3 | 45.0 | — | 4.44

Negit S.A.
10a Boulevard Royal, Luxembourg
NAV Nov. 9 | US$12.04 | — | —

Negit Ltd.
Bank of Bermuda Bldgs., Hamilton, Bmda.
NAV Oct. 19 | £4.35 | — | —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
NAV Nov. 15 | US$11.59 | +0.10 | —

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741
Inter-Dollar Fund | US$2.45 | 2.63 | +0.04 | —
Far East Fund | US$1.87 | 2.02 | — | —
Intl. Currency Fund | US$1.44 | 1.50 | — | —
Dollar Fxd. Int. Fund | US$1.71 | 1.85 | +0.01 | —
Ster. Exempt Gilt Fd. | £1.20 | 1.30 | — | —

Providence Capitol Life Ass. (C.I.)
PO Box 121, St Peter Port, Guernsey 0481 26726/9
Sterling Bond Fd. | 45.0 | 47.4 | — | —
Sterling Equity Fd. | 49.1 | 51.5 | — | —
Intnl. Bond Fd. | US$96.0 | 101.0 | — | —
Intnl. Equity Fd. | US$95.0 | 100.0 | — | —
Prices at Nov. 14. Next dealing Nov. 21.

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441
Quest Stlg. Fxd. Int. | 79.1 | 83.8 | — | 14.32
Quest Intl. Secs. | $0.879 | 0.946 | — | 3.17
Quest Intl. Bd. | $0.881 | 0.933 | — | 9.65
Prices on Nov. 14. Next dealing Nov. 21.

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, I.O.M. 0624 23914
(x)The Silver Trust | 279.3 | 285.9 | −2.6 | —
Do. Diamond Bd. | 129.0 | 135.9 | — | —
Do. Em Income Bd. | 132.8 | 142.1 | −2.0 | 13.93
Midway Deposit Bd. | 103.86 | 104.92 | +0.27 | 14.37
Carrillon C.G.T. Bd. | 62.3 | 65.7 | — | —

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† | US$1.46 | 1.55 | — | 1.13
OCSm. Co.*** | 75.7 | 80.2 | −7.5 | 3.63
O.C. Commodity* | 167.7 | 177.6 | — | 6.39
O.C. Dir. Comdty.† | US$38.45 | 40.90 | — | 0.78
O.C. Sterling Fd.** | £10.902 | — | +0.006 | —
*Prices on Nov. 14. Next dealing Nov. 30.
†Prices on Nov. 7. Next dealing Nov. 21.
**Daily dealings. ***November 15.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. | US$9.72 | 9.93 | +0.02 | —
Prices on Nov. 13. Next dealing Nov. 20.

Royal Trust (C.I.) Fd. Mgt. Ltd.
P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441
R.T. Int'l. Fd. | US$9.40 | 10.01xd | — | 2.09
R.T. Int'l. (Jsy.) Fd. | 74.0 | 79.0xd | — | 2.92
Prices Nov. 13. Next dealing Nov. 20.

Save & Prosper International
Dealing to
P.O. Box 73, St. Helier, Jersey 0534 73933
Funds denominated in U.S. Dollars
Dir. Fxd. Int.**‡ | 8.46 | 9.01 | — | 7.99
Internat. Gr.*‡ | 8.08 | 8.74 | — | —
Far Eastern*‡ | 9.74 | 10.53 | — | —
North American*‡ | 4.48 | 4.85 | — | —
Sepro**‡ | 14.92 | 16.37 | — | —
Funds denominated in Sterling
Channel Capital‡ | 254.7 | 268.2 | −2.1 | 1.75
Channel Islands‡ | 138.2 | 145.5 | −1.2 | 6.45
Commod.***‡ | 163.2 | 171.9 | +2.1 | —
St. Deposit***‡ | 111.6 | 111.6 | — | 0.22
St. Fixed***‡ | 100.7 | 106.6xd | — | 13.14
Funds denominated in other Currencies
Deutschmark Bd.***‡ | 9.35 | 9.87 | — | 5.06
Yen Bd.***‡ | 936 | 989 | — | 5.06
*Prices on Nov. 13. **Nov. 14. ***Nov. 9. ****Nov. 8. ‡Weekly dealings. ‡Daily dealings.

Schlesinger International Mngt. Ltd.
41, La Motte St., St. Helier, Jersey. 0534 73588
S.A.I.L. | 56 | 59 | −1.0 | 12.24
S.A.O.I. | $0.76 | 0.80 | +0.01 | 9.38
Gilt Fd. | 19.4 | 19.6 | −0.6 | 14.03
Intl. Fd. Jersey | 82 | 88 | −1.0 | 4.37
Intnl. Fd. Lxmbrg. | $11.42 | 12.02 | −0.01 | —
*Far East Fund | 90.0 | 95.0 | — | —
*Next sub. day Nov. 24.

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
International Funds
£Equity | 79.0 | 84.0 | — | —
$Equity | US$1.537 | 1.635 | — | —
£Fixed Interest | 145.5 | 154.7 | — | —
$Fixed Interest | US$1.130 | 1.202 | — | —
£Managed | 110.8 | 117.8 | — | —
$Managed | US$1.332 | 1.417 | — | —

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000
Cheap S Nov. 13 | US$14.28 | — | — | 2.24
Trafalgar Oct. 31 | US$160.24 | — | — | —
Asian Fd. Nov. 12 | US$20.75 | 20.23 | — | 2.77
Darling Fd. Nov. 6 | $A2.45 | 2.60 | — | 4.90
Japan Fd. Nov. 1 | US$6.48 | 6.94 | — | 0.58

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bermuda.
Managed Fund | US$2.78 | 360.58 | — | —

Singer & Friedlander Ldn. Agents.
20, Cannon St., EC4. 01-248 9646
Dekafonds | DM23.51 | 24.75 | — | 6.46
Tokyo Trust Nov. 1 | US$31.00 | — | — | 2.60

Standard Chartered Intl. Bd. Fd.
37 rue Notre-Dame, Luxembourg.
NAV Nov. 14 | US$9.66 | — | —

Stronghold Management Limited
P.O. Box 315, St. Helier, Jersey. 0534-71460
Commodity Trust | 98.62 | 103.81 | — | —

Surinvest (Jersey) Ltd. (x)
Queens Hse., Don Rd., St. Helier, Jsy. 0534 27349
American Ind. Tst. | £5.10 | 5.22 | +0.01 | —
Copper Trust | £15.40 | 15.77 | −0.38 | —
Jap. Index Tst. | £6.65 | 6.80 | +0.08 | —

Surinvest Trust Managers Ltd.
48, Athol Street, Douglas, Isle of Man
The Coin Trust | 97.0 | 102.0 | — | —

TSB Unit Trust Managers (C.I.) Ltd.
10, Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Jersey Fund | 44.6 | 46.9 | — | 5.12
TSB Guernsey Fund | 44.6 | 46.9 | — | 5.12
Prices on Nov. 14. Next sub. day Nov. 21.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund | 92 | 95xd | — | 12.6
TSB Gilt Fd. (Jsy.) | 92 | 95xd | — | 12.6
Prices on Nov. 4. Next sub. day Nov. 21.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao.
NAV per share November 12 US$64.34

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao.
NAV per share Nov. 12 US$46.88.

Tyndall Group
P.O. Box 1256 Hamilton 5, Bermuda, 2-2760
Overseas Nov. 14 | US$1.20 | 1.27 | −0.01 | 6.00
(Accum. Units) | US$2.01 | 2.13 | −0.01 | —
Man. Int. Oct. 24 | US$2.95 | 3.130 | — | —
2 New St., St. Helier, Jersey. 0534 37331/3
TOFSL Nov. 15 | £7.75 | 8.35 | −5 | 2.50
(Accum. Shares) | £12.65 | 13.75 | −10 | —
American Nov. 15 | 88.6 | 94.6xd | −0.8 | 2.50
(Accum. shares) | 92.6 | 98.8 | +0.8 | —
Far East Nov. 15 | 90.8 | 97.4xd | −3.0 | 2.50
(Accum. shares) | 93.8 | 100.4 | −2.2 | —
European Nov. 15 | 73.2 | 78.8xd | −4.0 | 2.50
(Accum. Shares) | 75.8 | 80.8 | −3.2 | —
Jersey Fd. Nov. 14 | 158.4 | 168.0xd | −2.8 | 9.72
(Non-J. Acc. Uts.) | 252.0 | 267.2 | −4.6 | —
Gilt Fund Nov. 14 | 97.8 | 99.6 | −1.2 | 12.05
(Accum. Shares) | 145.2 | 148.0 | −1.6 | —
Victory House, Douglas, Isle of Man. 0624 24111.
Managed Oct. 18 | 147.0 | 154.8 | — | —

Unilife Assurance (Overseas) Ltd.
P.O. Box 1388, Hamilton 5-31, Bermuda
Internl. Mngd. Fd. | US$0.83 | — | —

Union-Investment-Gesellschaft mbH
Postfach 16767, D 6000 Frankfurt 16.
Unifonds | DM15.28 | 16.10 | −1.40 | —
Uniglobal | DM55.60 | 57.90 | −2.20 | —
Unirak | DM47.60 | 50.00 | −0.05 | —
Urirenta | DM34.78 | 35.90 | −3.50 | —
Unispecial I | DM56.48 | 59.30 | −0.20 | —
Europafonds | DM23.11 | — | −1.90 | —

Utd. Intnl. Mngmnt (C.I.) Ltd.
14, Mulcaster Street, St. Helier, Jersey
U.I.B. Fund | US$100.3 | 102.70 | — | 8.03

United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg.
U.S. Tst. Inv. Fund | US$12.21 | +0.12 | —
Net asset value Nov. 15.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555
Conv. Bd. Nov. 14 | US$9.04 | +0.01 | —
Eng. Int. Nov. 14 | US$28.99 | +0.04 | —
Gr. St. $Fd. Oct. 31 | US$7.78 | — | —
Merc. EuroBd. Nov. 14 | US$10.52 | 10.63 | +0.05 | 0.1373
Merc. My. Mkt. Nov. 12 | £11.27 | 11.28 | — | —

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. C.I. 0534 73741
CMF Ltd. Oct. 26 | US$14.30 | 14.67 | — | 2.16
CMT Ltd. Oct. 26 | £14.08 | 14.45 | — | 2.05
Metals Tst. Nov. 1 | £18.08 | 18.59 | — | 4.60
TMT Nov. 8 | US$11.45 | 11.72 | — | 2.64
TMT Ltd. Nov. 8 | £11.11 | 11.40 | — | 1.63

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong
Wardley Trust | HK$17.90 | 18.30 | — | —
Wardley Nikko As. Fd. | HK$25.10 | 26.70 | — | —
Wardley Bond Trust | US$9.60 | 9.90 | — | —
Wardley Japan Trust | US$10.18 | 10.40 | — | —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd | US$19.98 | +0.17 | —

Wren Commodity Trust
10, St. George's St., Douglas IoM. 0624 25015
Wren Commod. Tst. | 35.6 | 37.9 | — | —

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tst.	103.5	109.5	-0.7	3.22
Abbey Capital	32.2	34.4	----	5.92
Abbey Income	38.1	40.7	-0.1	9.09
Abbey Inv. Tst. Fund	30.7	32.8	-0.2	6.80
Abbey Gen. Trust	43.0	46.0	----	5.88
Equitas Prog. Trust	64.2	67.7xd	----	5.49

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	92.3	97.2xd	-1.3	12.41

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	66.2	70.8	+0.1	6.78
Brit. Inds. Fund	63.8	68.3	----	5.94
Growth & Income	36.9	39.5	----	6.08
Elect. & Ind. Dev.	33.1	35.4xd	-0.1	5.93
Allied Capital	66.3	70.9	----	5.78
Hambro Fund	105.5	112.9	-0.1	6.51
Hambro Acc. Fund	126.4	135.2xd	-0.3	5.93
Income Funds				
High Yield Fd.	65.4	70.0	-0.6	10.00
High Income	61.7	66.0	-0.2	8.64
A. H. Eq. Inc.	37.0	39.6	-0.1	8.71
International Funds				
International	25.2	27.0	----	2.97
Pacific Fund	37.4	40.0	-0.1	3.18
Secs. Of America	54.4	58.2xd	-0.3	2.41
Specialist Funds				
Smaller Co.'s Fd.	47.2	44.1	-0.3	5.10
2nd Smlr. Co's Fd.	51.6	55.2	-0.4	4.89
Recovery Sits.	101.6	108.7	-1.1	6.67
Met. Min. & C'dty.	45.9	49.1xd	+0.2	5.30
Overseas Earnings	52.9	56.6	+0.1	5.83
Exempt Funds‡				
4 Far East Exempt	44.6	46.4xd	-0.1	3.81
Smaller Co. Exempt	65.8	69.1	-0.2	5.60
U.S.A. Exempt	94.5	98.3	+0.5	3.56

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	50.0	54.0	----	6.1

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	153.0	163.0	----	11.88

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	41.7	45.0	-0.2	11.56
(Accum. Units)	65.3	70.5	-0.4	11.56
Extra Income Fd.	86.7	93.6xd	-0.1	11.86

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Nov. 2	194.4	207.3xd	----	5.47

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA. 01-623 8893

Great Winchester	17.1	19.2	----	6.04
Gt. Winchester O'seas	19.1	21.5	----	2.56

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-495 3211

Emson Dudley Tst.	67.9	72.6	-3.8	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	66.5	70.0	----	5.42

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.5	27.4xd	----	2.53
Accum. Units	31.0	33.3xd	----	2.53
J. Finlay High Income	30.3	32.6	----	10.14
J. Finlay Euro.Fin.	24.0	25.8	----	3.86
Accum. Units	29.6	31.9	----	3.86
J. Finlay Fd.In.Tst.	26.7	28.7xd	----	6.37

Prices on Nov. 14. Next dealing Nov. 21

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	46.4	49.2	----	1.47
American Turnaround	47.6	50.6	----	2.00
Capital Tst.	46.8	49.6	----	5.45
(Accum. Units)	46.8	49.6	----	5.45
Income Tst.	33.6	35.6xd	----	8.96
Int. Growth Fd.	39.0	41.4xd	+0.2	2.42
(Accum. Units)	41.0	43.6	----	2.42

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	42.5	45.4xd	-0.1	5.62
Do. Accum.	58.7	62.7	-0.1	5.62

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Nov. 8	100.3	102.3xd	----	5.67
Gross Inc. Nov. 8	73.3	76.1	----	10.4
High Yield Nov. 8	78.4	81.3	----	10.58

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD. 01-628 8131

G.T. Cap. Income	97.1	103.2	----	4.10
Do. Acc.	120.7	128.3	----	4.10
G.T. Inc. Fd. Un.	156.8	166.8	----	9.60
G.T. U.S. & Gen.	133.3	141.8xd	----	2.60
GT Wld. Bd. Fd.	----	100.9	----	5.00
G.T. Japan & Gen.	71.1	75.2	----	2.70
♦Gt. Pens. Ex. Fd.	208.2	218.5	----	4.5
G.T. Int'l. Fund	147.6	157.0	----	2.40
G.T. Four Yds. Fd.	48.0	51.0	----	9.00
G.T. Far East & Gen.	46.6	50.1	----	3.60

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	31.2	33.3xd	-0.1	5.80

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	24.3	26.2	+0.2	2.03
British Tst. (Acc.)	56.5	60.8	-0.6	4.76

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

1979 High	Low	Stock	Price £	+ or –	Int.	Red. Yield
115	43	Sth. Rhod. 2½pc '65-70	115	+5	—	—
151	81	Do. 6pc '78-81	151	+5	—	—

LOANS

Public Board and Ind.

1979 High	Low	Stock	Price £	+ or –	Int.	Red. Yield
66¾	56	Agric. Mt. 5pc '59-89	56	–1	9.17	13.60
92	75	Alcan 10½pc '89-94	76	–3½	14.19	14.90
30½	24½	Met. Wtr. 3pc 'B'	24¾	–1	12.37	14.22
129	97	U.S.M.C. 9pc 1982	100xd	......	9.00	—
95	82	Do. without Warrants	82xd	–2½	10.97	15.50

Financial

1979 High	Low	Stock	Price £	+ or –	Int.	Red. Yield
103¾	96½	FFI 13pc 1981	96½	–¼	13.48	16.14
108¼	95	Do. 14pc '83	95	–½	14.73	15.67
86½	77½	ICFC 5½pc Deb. '80-82	79	......	7.01	14.94
85	69	Do. 6¼pc Db. '81-84	69xd	–2	9.05	15.40
99	84	Do. 10½pc Uns. Ln. '86	84	–1	13.12	15.70
99	83	Do. 11pc Uns. Ln. '88	83	–2	13.95	15.10
102½	84	Do. 11¾pc Uns. Ln. '90	85	–1½	14.61	15.60
72½	56	Do. 7¾pc A Deb. '89-92	56	–3	13.84	16.10
69	53	Do. 7¾pc A Db. '91-94	53	–1½	14.05	15.80
81½	64	Do. 9pc 'A' '91-94	64	–2½	14.44	15.60
78½	62	Do. 8⅞pc Ln. '92-97	62	–½	14.97	15.60
102	85	Do. 12½pc. Uns. Ln. 1992	85	–3	14.91	15.58

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
190	140	Arbuthnot L. £1	150	–2	†10.42	—	9.3	—
435	308	Bk. Ireland £1	310	–5	Q25.0	—	8.0	—
£195	£141	Do. 10pc Conv.	£143	......	Q10%	—	†7.1	—
14	7	Bk. Leumi I£1	8	......	Q16%	—	3.4	—
*157	120	Bk. Leumi (UK) £1	120	......	N8.57	—	10.2	—
*234	141	Bk. N.S.W. $A1	146	–2	Q18c	ϕ	6.4	ϕ
352	240	Bank Scotland £1	250	+2	†12.25	5.0	7.0	3.8
£25⅞	£17⅝	Bankers N.Y. $10	£18¾	–⅛	Q$3.30	—	7.9	—
514	360	Barclays £1	392	......	§16.5	6.2	6.0	3.3
286	230	Brown Shipley £1	286	......	†13.0	—	6.6	—
375	270	Cater Ryder £1	278	......	18.88	—	9.9	—
110	69	Clive Dis'nt 20p	72	......	5.33	—	10.6	—
224	122	Com'l Aus. ($A1)	131	–1	Q18c	3.0	7.0	4.7
£17¼	930	Com'zbk DM 10	981	+1	Q26.6%	—	6.9	—
£18½	900	C'hgn. Hbk. Kr100	£10½	......	Q12%	—	10.5	—
41	22	Corinthian 10p	22	......	†1.05	5.9	6.8	2.5
£24¾	£15	Cred. France F75	£18⅞	......	Q9.87%	—	3.5	—
16	10	Dawes (G. R.)	11	......	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£66¾	......	Q18.12%	—	5.5	—
90	55	F. C. Finance	55	–3	2.2	4.9	5.7	5.1
8¼	5¼	First Nat. 10p	6¼	–¼	—	—	—	0.5
4	2	Do. Wrrts. 75-83	2	–½	—	—	—	—
266	178	Gerrard Natnl.	210	......	†9.12	—	6.2	—
62	39	Gibbs (A.)	40	–1	2.2	—	7.9	—
270	200	Gillett Bros. £1	280	......	†16.95	—	12.1	—

BANKS & HP—Continued

Hire Purchase, etc.

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BUILDING INDUSTRY, TIMBER AND ROADS

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CHEMICALS, PLASTICS—Cont.

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INDUSTRIALS—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
49	29	Harris & Sheldon	29	......	†h2.21	2.2	10.9	6.1
*72	47	Hawkins & Tipson	47	......	4.46	2.4	13.6	3.5
19½	11½	Hawtin 5p	11¾	+¼	0.25	6.7	3.0	5.4
78	48	Hay (Norman) 10p	49	−1	3.7	1.8	10.8	7.4
*164	103	Hay's Wharf £1	103	−5	F7.21	2.3	10.0	5.8
65	27	Hensher 'A' 10p	54	−1	2.5	ϕ	6.9	ϕ
132	72½	Hepworth Ceramic	90	−1	t4.9	3.6	7.8	6.2
76	27	Hestair	27	−2	‡3.5	—	‡	—
50	25	Hewitt (J.) 5p	41	......	1.28	6.3	4.6	4.3
72	40	Highgate & Job 50p	45	......	—	—	—	—
100	65	Hill (Chas.) £1	68	......	d2.0	—	4.2	—
*49½	29	Hirst Mal'son 20p	32	......	t2.6	3.6	11.6	3.3
90	78	Holden (A.)	78	......	4.0	3.4	7.6	5.3
75	43	Hollis Bros	43	−3	5.12	1.8	17.0	4.1
250	148	Holt Lloyd Int. 10p	196	−1	H9.0	2.3	6.6	10.8
222	118	Hoover 'A'	118	−2	12.0	1.1	14.5	8.1
163	97	Hoskins & H 20p	97	......	10.39	1.4	15.3	6.0
69	23½	Howard Tenens	69	......	†1.9	—	4.0	—
267	142	Hunting Assoc.	233	−2	22.5	11.4	1.5	6.6
[illegible]								

INSURANCE—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
151	82½	Hogg Robinson	87	+2	4.94	2.5	8.1	7.2
137	79	Howden (A.) 10p	86	......	7.0	1.6	11.6	7.2
£42	£36	Do Warrants	£37	−1	—	—	—	—
190	138	Legal & General	140	+1	†6.51	—	6.6	—
158	118	Lon. & Man. 5p	130	+2	†7.24	—	8.0	—
196	125	London United 20p	125	......	†5.31	4.2	6.1	5.6
194	88	Minet Hldgs. 20p	99#	......	†3.72	3.9	5.5	5.9
60	27	Moran (Chris) 20p	27	......	4.0	1.3	22.0	4.9
304	216	Pearl 5p	236	+4	14.05	—	8.5	—
306	198	Phoenix	202	+4	†11.56	—	8.2	—
158	134	Provident	138	......	†9.12	—	9.8	—
193	134	Prudential	141	+1	†8.06	—	8.2	—
172	132	Refuge 5p	134	+2	†9.2	—	9.8	—
443	288	Royal	292	+4	†18.77	—	9.2	—
123	78	Sedg Forbes 10p	87	+1	T5.0	2.1	8.2	8.1
110	71	Stenhouse	74	+1	4.52	2.5	8.7	5.5
230	158	Stewart Wr. 20p	160	+2	†11.05	2.4	9.4	5.5
682	474	Sun Alliance £1	496	+6	†22.5	—	6.7	—
147	95	Sun Life 5p	120	+1	6.54	—	8.1	—
[illegible]								

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

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PROPERTY—Continued

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SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
420	132	Falcon Rh.50c	415	+15	Q100c	ϕ	16.6
36	11	Rhod'n Corp. 16⅔p	36	+3	0.56	6.5	2.2
165	70	Roan Cons. K4	122	+2	Q0.125	ϕ	6.2
67	26	Wankie Col. Rh.1	64	+4	Q9c	ϕ	9.7
19	9	Zam.Cpr.SBD0.24	15½	+2½	—	—	—

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	11½	−1½	—	—	—
16	4	ACM 20c	11	−2	—	—	—
82	50	Bond Corp.	65	......	Q3.75	ϕ	3.0
171	100	Bougainville 50 Toea	111	......	†Q15c	1.0	7.1
212	84	BH South 50c	187	−3	♦	—	—
£14	340	Central Pacific	£13	......	—	—	—
318	170	Conzinc Riotinto 50c	184	−2	NQ10c	2.0	2.8
36	15	Cultus Pacific N.L.	16	−1	—	—	—
*29½	2½	Eagle Corp. 10c	20xr	−1½	—	—	—
21½	11	Endeavour 20c	16	−1	—	—	—
165	62	G. M. Kalgoorlie 25c	140	......	Q3c	ϕ	1.1
305	148	Hampton Areas 5p	230	−10	3.5	2.8	2.2
75	25	Haoma Gold N.L.	26	−2	—	—	—
[illegible]							

TINS

[illegible]

COPPER

120	56	Messina R0.50	106	+8	—	—	—

MISCELLANEOUS

81	54	Barymin	63	+1	—	—	—
14½	10	Burma Mines 17½p	12½	......	—	—	—
365	170	Cons. Murch. 10c	300	+5	Z030c	—	5.7
440	280	Northgate C$1	340	......	—	—	—
362	226	R.T.Z.	274xd	+2	†11.5	3.4	6.0
31	12	Robert Mines	15	......	—	—	—
65	28	Sabina Inds. C$1	28	−2	—	—	—
880	490	Tara Exptn. $1	490	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 43

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27	......
Bertam	16	......
Bdg'wtr. Est. 50p	370	−10
Clover Croft	30	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	23	......
Fife Forge	48	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	650xd	......
Higsons Brew	65	......
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	155	......
Pearce (C. H.)	390	−20
Peel Mills	29	......
Sheff. Refrshmt.	100	......
Sindall (Wm.)	168	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£85⅝	......
Nat. 9⅜% 84/89	£72⅝	−¼
Fin. 13% 97/02	£80¼	−⅛
Alliance Gas	63	......
Arnott	355	−15
Carroll (P.J.)	53½	−1½
Clondalkin	82	......
Concrete Prods.	80	−2
Heiton (Hldgs.)	35	......
Ins. Corp.	190	......
Irish Ropes	70	......
Jacob	35	......
T.M.G.	149	......
Unidare	85	......

OPTIONS
3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		I.C.I.	20	Tube Invest.	27
A. Brew	8	"Imps"	8	Unilever	40
BOC Intl.	6	I.C.L.	45	U.D.T.	4
B.S.R.	5	Inveresk	5	Utd. Drapery	10
Babcock	12	KCA	3½	Vickers	18
Barclays Bank	30	Ladbroke	17	Woolworths	6½
Beecham	13	Legal & Gen.	14	**Property**	
Blue Circle	25	Lex Service	11	Brit. Land	7
Boots	17	Lloyds Bank	24	Cap. Counties	9
Bowaters	16	"Lofs"	3½	Land Secs.	25
B.A.T.	25	London Brick	6	MEPC	17
Brown (J.)	7½	Lonrho	6	Peachey	13
Burton 'A'	25	Lucas Inds.	20	Samuel Props.	14
Cadburys	5½	"Mams"	15	Town & City	2
Courtaulds	8	Mrks. & Spncr	20	**Oils**	
Debenhams	8	Midland Bank	30	Brit. Petroleum	35
Distillers	21	N.E.I.	5	Burmah Oil	15
Dunlop	6	Nat. West. Bank	28	Charterhall	5
Eagle Star	14	P & O Dfd.	10	Premier	4
E.M.I.	12	Plessey	10	Shell	30
Gen. Accident	21	Racal Elect.	22	Ultramar	22
Gen. Electric	35	R.H.M.	4½	**Mines**	
Glaxo	40	Rank Org.	18	Charter Cons.	16
Grand Met.	13	Reed Intnl.	17	Cons. Gold	18
G.U.S. 'A'	30	Sears	5½	Rio T. Zinc	27
Guardian	23	Spillers	4½		
G.K.N.	22	Tesco	7		
Hawker Sidd	16	Thorn	35		
House of Fraser	14	Trust Houses	14		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday November 16 1979

SELF-SUFFICIENCY IN THE 21st CENTURY

Shell optimism on oil

BY RAY DAFTER, ENERGY EDITOR

OIL PRODUCTION from the North Sea and other offshore areas could satisfy UK oil needs until at least the turn of the century, says a new study conducted by Shell UK.

To sustain oil self-sufficiency into the next century the oil industry would have to spend over £30bn on production equipment.

As many as 80 new fields might be exploited in the North Sea alone; this would be in addition to the 12 fields on stream and 13 under development now.

By the 1990s the industry might well be exploiting reserves in the much more difficult conditions in areas such as those west of the Shetland Islands and the Western Approaches.

Mr. John Raisman, chief executive of Shell UK, said: "It is not fanciful to suggest that we could extend our self-sufficiency beyond AD 2000. I believe this is a fair assumption to plan on, although it does not seem that either industry or the Government are planning on this basis."

The results of the internal study are considerably more optimistic about Britain's offshore oil producing capability than previous forecasts published either by the industry or the Government.

The Royal Dutch/Shell Group's third quarter net income rose from a restated £293m to £720m. This brings the total for the first nine months of this year up to £2.05bn, compared with £687m. Page 24.

Energy review. Page 11

Some of these have suggested that self-sufficiency could end in the late 1980s, while the latest Energy Department projection shows net oil imports building up through the 1990s to between 700,000 and 1m barrels a day by the turn of the century.

The UK already produces oil at the rate of 1.7m b/d, about 3.5 per cent of non-Communist output and enough to satisfy over 85 per cent of domestic needs. The country should become a net oil exporter, on a sustained basis, for the first time next year.

Shell, as one of the major operators in the North Sea—it is lead company in the Brent, Dunlin, Cormorant, Fulmar and Auk fields—feels that self-sufficiency can be sustained into the 21st century partly because forecasts of oil demand are lower than before, partly because higher oil prices make an increasing number of small reservoirs commercially attractive.

With higher prices and improving production technology it was possible that fields with 50m barrels and less recoverable reserves could be exploited in the next two decades, said Mr. Raisman.

Shell's estimate of £30bn investment includes an average expenditure of £300m on each of the 80 fields.

Strike threat to BOC

BY GARETH GRIFFITHS, LABOUR STAFF

MANUAL WORKERS at British Oxygen's gases division are to impose a work-to-rule and overtime ban from next Monday.

They have threatened an all-out strike for January 7 in pursuit of a wage claim of more than 20 per cent.

A Transport and General Workers' Union delegate conference representing 46 depots and more than 3,000 hourly paid drivers and gas cylinder handlers yesterday told union negotiators not to resume discussions if BOC's offer remained less than 20 per cent.

The conference also decided the BOC settlement should be in line with the pacesetters in the pay round.

Mr. John Miller TGWU national secretary, said the effect of the overtime ban would be fairly dramatic. The BOC manual workers average about eight hours overtime a week. From oMnday, November 19, there would be a work-to-rule, no cover for absence and no emergency call-out work.

The unions expect a response from BOC management today.

A month-long strike by BOC manual workers in 1977 caused widespread disruption in manufacturing industry. There were more than 30,000 lay-offs. Metal fabrication, the motor and shipbuilding industries and glassware production were particularly badly hit.

Last year, the company settled at 9½ per cent when the Labour Government's 5 per cent policy was in force.

BOC said it expected the overtime ban to cause considerable operational difficulties, but the company was likely to meet customers' requirements in the short term. BOC dominates the British industrial gases market.

The company's present offer is worth about 13 per cent over eight months. It involves an increase of £7.60 on basic weekly rates of £74 to £78. Average earnings are £107.83. During the last negotiations, BOC said the offer was final. The settlement date is to be changed from October to May.

BOC says its proposals wold add £13.50 to weekly pay but the union has called the offer "derisory."

● Ford management will today reply to a claim for £30 a week pay increases and other improvements, including a shorter working week.

CBI strike fund, Page 8

Rail fares to rise by up to 30%

BY LYNTON McLAIN

RAIL FARES are to go up by about 20 per cent from January 6. But the increases will be steeper than average for commuters in London and the South-East and on some Inter-City services where the rise will be as high as 30 per cent.

British Rail admitted that the higher fares might turn travellers away. When fares rose by 62 per cent during 1975 and 1976 the number of passenger journeys fell by 4 per cent.

The new increases were necessary to meet rising fuel prices and to help counter the cuts in Government subsidies for the passenger rail services, British Rail said. The cash limit imposed by the Government for subsidies for passenger services will have been cut by £40m between 1977 and 1981, it added.

The subsidy would fall by £22m to £460m by 1980-811, compared with the current financial year, the Government said on Wednesday.

Last year fares rose by an average of 14.5 per cent and passenger journeys rose by 3 per cent, givin gtotal passenger revenue of £702m.

Some fares, particularly special cheap rates, are to rise by almost 30 per cent, for example the weekend return between London and Newcastle upon Tyne.

Commuters in the London region and other Inter-City passengers using the High Speed Train services, face rises of up to 22½ per cent.

The higher than average increases for commuters in London and the south-east region were also designed to increase the contribution these services made to direct operating costs.

Rail meal menus trimmed, Page 7

RAIL FARES FROM LONDON

To	ordinary return (£) present	ordinary return (£) new	weekend return (£) present	weekend return (£) new
Edinburgh	38.50	46.50	25.10	32.00
Newcastle	32.50	39.30	19.70	25.60
Bristol	14.50	17.70	8.10	10.70
Birmingham	14.80	17.50	9.45	11.60
			Monthly Season Ticket	
Tunbridge Wells	4.16	4.94	50.60	60.30
Woking	3.08	3.66	44.70	53.70
Brighton	6.26	7.54	58	70
Letchworth	4.50	5.56	51.70	64.40

Lending rate 17%

Continued from Page 1

lending have together been rising at a rate of £900m a month in the past six months.

While a higher MLR is the main weapon of control, the corset restrictions on growth of the banks' interest-bearing liabilities, a large part of their deposits, are to be continued for six months.

Sir Geoffrey said he was well aware of the limitations of the scheme, and he did not believe that it had a permanent role to play.

Several City commentators have highlighted the big loopholes in the corset, especially following the removal of all exchange controls, which allows British borrowers to raise sterling overseas.

Mr. Gordon Richardson, the Governor of the Bank of England, had talks last night with representatives of the main banking associations about these problems.

These talks are likely to have covered ways of limiting these loopholes.

Sir Geoffrey said that in future other techniques, including one of the variants of monetary base control, could play a useful role, without the disadvantages of the corset scheme.

A discussion paper for consultations will be issued shortly, probably before Christmas. While Treasury Ministers are sympathetic to possible changes, there are no commitments yet and possible alternatives are being studied.

The Government extended the period covered by the present annual 7 to 11 per cent target range for sterling M3.

At present it applies to the 10 months to mid-April, 1980; this has been stretched to the 16 months to mid-October, 1980.

This is intended to avoid building into the new period the recent excess growth of the money supply while allowing some time in which that excess can be offset.

It means that if growth is to be reduced to the 9 per cent mid-point of the target range over the 16 month period, sterling M3 will be allowed to rise only by 7½ per cent in the 12 months to next October.

Richard Evans writes: The major worry of Tory backbench MPs and some Ministers, is that the economic course set by the Cabinet could be too deflationary, and the increase in interest rates would lead to great political unpopularity, particularly through the inevitable rise in the cost of mortgages next year.

There was no open criticism by Conservative MPs of the decision to raise MLR and the cost of credit to record levels, but in private they were expressing their anxieties more openly than before.

Sir Geoffrey was given an enthusiastic reception by the 1922 Committee of backbenchers last night, and a pledge of firm support.

Mr. Denis Healey, Shadow Chancellor, said it was the Government's doctrinaire policy on monetary control that was deepening the economic recession and runing prospects for recovery.

Banks surprised

Continued from Page 1

improved in the past two months. So far this month net receipts are running at about £400m although the final figure is expected to be slightly below this. Last month receipts totalled £544m, the highest for two years.

If the clearers raise base rates to 17 per cent, overdrafts for personal customers will cost between 20 and 22 per cent. A five year unsecured personal loan from Barclays costs 19½ per cent for amounts up to £3,000.

The MLR rise is certain to result in higher rates among finance houses, the main suppliers of hire purchase credit. Lombard North Central expects fixed rate lending to cost 2 per cent more in real terms. This means that a five-year home improvement loan could be costing between 25 and 30 per cent.

Credit card rates are also expected to come under pressure. At present borrowers pay almost 27 per cent for extended credit.

Ford faces $1bn loss in U.S.

BY IAN HARGREAVES IN NEW YORK

FORD MOTOR, hit by declining sales and growing capital expenditure commitments in the U.S., expects to lose $1bn on its North American car and lorry operations this year.

Ford, the second largest U.S. car maker, has also announced a cost-cutting programme without which it says it would lose a further $1bn in the U.S. next year.

The seriousness of the fall in U.S. car sales was again underlined yesterday when the big motor companies released their estimates for the first 10 days of November, showing an average 26 per cent decline on the same period last year.

Ford's financial problems in the U.S. have been apparent for some time, but its 1980 forecast was bleaker than expected. In the third quarter of this year, it reported a $637m pre-tax loss on its U.S. operations, although this figure includes the results from some profitable non-automotive divisions of the company, indicating that the loss on cars and lorries was even greater.

The third quarter loss was converted to a $103m profit by the strong performance of Ford's European and other non-U.S. operations. The company is clearly looking outside North America for its profits in 1980.

The company's economy drive is already well under way. More than 33,000 employees have been laid off so far this year and there will undoubtedly be more lay-offs and plant shutdowns.

The company said yesterday it was examining the possibility of a price freeze from its components suppliers and of cutting rebates made to dealers to encourage faster car sales.

A programme of minor economies has also been instituted, ranging from a freeze on spending not directly associated with manufacture, for example on property maintenance, to dropping slide shows shows and refreshments at some corporate meetings.

The company can expect fierce resistance to economy measures from suppliers, since inflation in the U.S. is expected to remain in double figures for the foreseeable future. Dealers are unlikely to accept reduced rebates as both Chrysler and General Motors have introduced aggressive price-cutting plans

The industry fears that sales may be entering a period of more profound slump than any of the thre major manufacturers has been prepared to admit.

In the first 10 days of November, Ford saw a 29 per cent fall in sales against the same period in 1978. Chrysler fared even worse, with a 44.5 per cent fall.

Talks on international industry aid limit

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT has launched a series of informal talks with international organisations about the possibility of agreeing a treaty limiting the amount of State aid paid to industry.

Initial contacts have been made with the Organisation for Economic Co-operation and Development and the European Commission. The primary target is to discover whether Governments would agree to cut the aid they award to multinational companies when attracting inward investment to their countries.

The main initiative in the UK has come from Sir Keith Joseph, Industry Secretary, who has agreed to various types of aid since the general election. Despite the Government's basic opposition to such aid he has accepted that the strength of international competition means that UK industries need support.

In particular, he has been converted to the idea that selective investment aid should be paid to attract major investment projects which might go to other countries if the Government was not prepared to top up routine regional subsidies.

The aim of the international contacts is to establish the nature and effects of investment incentives, and to see whether they can be rationalised. Sir Keith accepts that the UK cannot act unilaterally.

In Brussels, the EEC has already started work on the subject, which is known in Whitehall as "aid disarmament." The Commission is trying to cut back on aid given to industries such as shipbuilding but there appears to be little hope of any early wide-ranging aid limitation agreement.

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Iran

HOW THE OIL WAS SHARED

	Barrels a day*
Gulf	135,000
Charter**	130,000
Ashland	115,000
Amerada Hess	100,000
Exxon	70,000
Amoco***	65,000
Texaco	25,000
Caltex	20,000
Sun	16,000
Marathon	15,000
Mobil	15,000
Total	706,000

* October levels before 5 per cent cutbacks.

** Subsequently reduced to estimate 30,000 b/d. Charter supplies New England Petroleum Caribbean refinery.

*** Contract expired end October.

greater fuel conservation will suffice.

The Iranian move was the latest in a series of actions and counteractions between Washington and Tehran since the seizure of about 100 hostages at the U.S. embassy in Tehran.

The U.S. has so far halted the supply of military spare parts as well as the purchase of oil (but not the sale of food), as well as pre-empting the Iranian threat to withdraw its assets.

A report from Mr. Abol-Hassan Bani-Sadr, who supervises Iran's foreign policy, that women and non-whites among the hostages would be released, was dismissed by student leaders holding the embassy.

Mr. Ramsey Clark, the former U.S. attorney-general, sent to negotiate the hostages' release but denied an audience by Ayatollah Khomeini, returned to Washington yesterday.

The West German government supports the measures taken by the U.S. Government officials say that Bonn is determined not to try to take advantage of the situation created by Washington's decision to ban imports of Iranian oil.

The government has been in contact with the oil companies in West Germany to urge them not to force buying of the additional oil which might become available on the spot market as a result of the U.S. decision.

Weather

UK TODAY

SUNNY intervals, wintry showers; some sleet and snow in East; cold.

London, S.E., Cent. S. and Cent. N. England, Midlands Channel Isles, S.W. England, Wales, N.W. England Lakes, I. of Man, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland

Sunny periods, wintry showers. Max 7C (45F).

E. Anglia, E. England

Occasional rain or sleet, snow on high ground, perhaps brighter later. Max 5C (41F).

N.E. England, Borders, Edinburgh, Dundee

Rain or sleet, snow on high ground, perhaps brighter later. Max 5C (41F).

Aberdeen, Moray, N.E. Scotland, Orkney, Shetland

Bright periods, wintry showers. Max 5C (41F).

Outlook: Sunny intervals, 30-day forecast: Wet till end of November; drier but sometimes very cold in December.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	14	57	L. Plms.	F	24	75
Algiers	F	14	57	Lisbon	R	12	54
Amsdm.	C	4	39	Locarno	R	3	37
Athens	F	21	70	London	C	6	43
Bahrain	S	29	84	Luxmbg.	C	2	36
Barcina.	C	11	52	Madrid	F	9	48
Beirut	F	21	70	Majorca	C	14	57
Belfast	F	4	39	Malaga	C	14	57
Belgrd.	F	14	57	M'chstr.	R	4	39
Berlin	F	5	41	Melbne.	S	22	72
Biarritz	R	8	46	Mex. C.	S	21	70
Bmghm.	Sl	3	37	Mntreal.	C	1	34
Blackpl.	C	6	43	Moscow	F	3	37
Bordx.	F	7	45	Munich	R	4	39
Boulgn.	C	7	45	Nairobi	C	21	70
Bristol	C	5	41	Naples	R	16	61
Brussels	F	6	43	Nwcstl.	R	6	43
Budpst.	C	11	52	N. York	C	6	43
B. Aires	C	18	64	Nice	F	9	48
Cairo	S	24	75	Oporto	R	10	50
Cardiff	F	4	39	Oslo	C	−5	23
Cas'b'ca	C	18	64	Paris	S	8	46
Cape T.	S	20	68	Perth	C	26	79
Chicago	C	7	45	Prague	R	2	36
Cologne	F	7	45	Reykjvk.	Sl	0	32
Cpnhgn.	R	5	41	Rio J'o	S	32	90
Dublin	S	4	39	Rome	F	17	63
Dbrvnk.	R	16	61	Salzbrg.	C	6	43
Ednbgh.	R	3	37	Singapr.	C	29	84
Faro	R	15	59	Stckhm.	C	2	36
Florence	C	12	54	Strasbg.	C	6	43
Frankft.	R	4	39	Sydney	C	23	73
Funchal	R	18	64	Tangier	R	15	59
Geneva	C	6	43	Tehran	S	12	54
Gibrltr.	F	16	61	Tel Aviv	F	22	72
Glasgow	R	4	39	Tenerife	R	17	63
G'msey	C	7	45	Tokyo	C	10	50
Helsinki	C	1	34	Toronto	R	1	34
H. Kong	S	23	73	Tunis	F	21	70
Innsbrk.	Sl	2	36	Valencia	F	14	57
Invrnss.	R	3	37	Venice	R	13	55
I.o.Man	F	6	43	Vienna	R	7	45
Istanbul	F	16	61	Warsaw	C	10	50
Jersey	C	5	41	Zurich	Sl	1	34
Jo'burg	S	22	72				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

A by-pass for Watling St.

Index fell 3.7 to 406.3

As in February and June, there is every chance that the hike in Minimum Lending Rate, and as associated reopening of tap stocks, will achieve its short term objectives. This time, too, there is a much stronger chance that the top of the hill has been reached for interest rates. In real terms, it is true, 17 per cent at the current inflation rate is less than the nominal 14 per cent posted in February when inflation—historic, anyway—was still in single figures. But the underlying public borrowing trend will improve markedly in the second half of the financial year—even though the Chancellor has confessed that the PSBR is heading for £9bn ignoring his year-end fudging of the PRT intake.

But if the tactics are effective, they are as crude and messy as any employed by Mr. Denis Healey. In the indecent rush to cram more funding into the November banking month, which ends next Wednesday, the authorities are not even bothering with the normal issue mechanism for a gilt-edged stock. As dawn breaks over the City this morning, brokers and their clients will be gathering to try to get a slice of the new stock, a further £1bn tranche of Treasury 13¾ per cent 2000-2003 at £91 of which £20 is payable initially. Can it be significant that this is one of the stocks involved in the Battle of Watling Street last February? There is now a distinct possibility of a reappearance of the foreign traders who are getting practised at in-and-out operations in UK Government bonds.

Yet there can be no illusions about the sharpness of the monetary squeeze now faced by the private sector. In the last six months sterling M3 has been growing at an annualised rate of nearly 15 per cent, and by 19 per cent if acceptances held outside the banks are added in. It is disappointing that no action has been taken over this acceptance loophole. Still, as the figures stand the rise in sterling M3 over the next year will have to be no more than 7½ per cent if the authorities are to hit the mid-point of the extended 7-11 per cent target growth range.

No one had much time for equities yesterday: after the stampede was over, it was noted that the FT Industrial Index had fallen by 9½ points from its 11 am reading. The new interest rate structure simply writes in bolder letters the message that has been bothering manufacturing industry all year. It has also knocked the stuffing out of the property sector, which has now slumped by 27 per cent from the all-time peak reached last month.

The clearing banks were among the handful of sectors which resisted the day's mark downs. Analysts who had until recently been expecting a sharp decline in banking profits next year are now beginning to pencil in increases.

For the equity market as a whole, the yield gap has now widened quite sharply from its low point this summer, and it is clear that gilts will have to turn the corner before share prices. But the secure double figure yields which are now available on a wide range of equities should bring some support from long term investors.

Shell

Shell has had a much more profitable third quarter than seemed likely only a few months ago. Political uncertainties have kept the oil price on the boil, and consumers have continued to stock up on petroleum products. The recession, too, has been slow in coming. So the oil companies' margins have remained high — even though Shell's sales volumes outside North America were below 1978 levels, earnings were well up.

The group has announced third quarter net income of £887m before the effects of currency translation, compared with £265m a year earlier. Stripping out the LIFO/FIFO adjustment for stock profits, not all realised, of £300m in July/September, and ignoring the crediting of deferred tax, the underlying figure comes out at £426m against £315m. For 1979 as a whole, real profits have been 30 per cent above 1978 levels, and the basic figure for the whole year should be around £1.6bn—the reported figure will be a good £1bn higher.

Shell is still having some difficulties getting its hands on enough oil at the right price—stocks at the end of September, at 75 days' use, were a little on the low side. Next year the problem may be that margins come under pressure as demand falls; competitors such as the Aramco partners, with better access to crude supplies, would then be more strongly placed. Shell will also be carrying the financial costs of the Belridge acquisition. But its wide spread of markets makes it the perfect defensive stock in the oil sector, particularly as the rating is far from demanding, compared with BP, for example — a p/e of around 6 and a prospective yield of nearly 8 per cent at 326p for Shell Transport. For any investor but a gross fund, Royal Dutch at £35¼ looks a more attractive way into the group.

Boots

In spite of a healthy 4 per cent rise in retailing volume during the first half at Boots, margins were squeezed, pulling down trading profit attributable to this sector to about half the total compared with the normal 60 per cent contribution. There was a strong performance in pharmaceuticals, however, even though exports were hit by the strength of sterling. Boots has now gained a third of the anti-rheumatic drug market, and Froben, which was introduced in the UK two years ago, is doing well abroad and should contribute £2m or £3m profit in the current year. In spite of this, the overall pre-tax profit has eased back from £51m to £50.5m.

The second half should see some improvement in retailing as consumers revert to more normal patterns of spending after the reaction to the Budget. Boots also hopes for higher returns for dispensing NHS prescriptions, while the January lorry drivers' strike created a low base to set the results against. For the full year, pre-tax profits are likely to come through at about £120m, against £113m last year. At this level the shares, which fell 4p to 148p yesterday, stand on a p/e multiple of 9.2, fully-taxed. The net interim dividend has gone up 15 per cent, to 2.875p, implying a full year level of about 7p net, and a yield of 6.8 per cent.

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